FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-90-125
Thursday
28 June 1990

Daily Report
East Asia

FBIS-EAS-90-125 | **CONTENTS** | *28 June 1990*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

- Reportage on Conclusion of SII Talks [*KYODO*] 1
    - 'Text' of Kaifu's Statement [*KYODO*] 1
    - Report on Measures Adopted [*KYODO*] 2
    - Final Report Nears Completion [*KYODO*] 2
    - Business Leaders Comment [*KYODO*] 3
- Agreement With U.S. on Communications Market [*KYODO*] 3
- Pickens Calls Koito Shareholders' Meeting Sham [*KYODO*] 4
    - Shareholders Veto Proposals [*KYODO*] 4
- Kaifu To Raise Asian Topics at Houston Summit [*KYODO*] 5
    - To Discuss Own View of China [*KYODO*] 5
    - Hopes To Discuss Soviet Aid [*KYODO*] 6
- Nakayama To Give Tunisia's Warning to U.S. [*KYODO*] 6
- Loans to PRC 'Resuming' After Houston Summit [*KYODO*] 7
- Miyazawa To Meet PRC's Jiang Zemin, Li Peng [*KYODO*] 7
- Phased Return of Soviet-Held Islands Urged [*KYODO*] 7
- Survey of Japanese Left in Sakhalin After War [*KYODO*] 8
- Firm Begins Color TV Production in Vietnam [*KYODO*] 8
- Hiroshima, Nagasaki Protest French Nuclear Test [*KYODO*] 8
- Cabinet Members Aid Iranian Earthquake Victims [*KYODO*] 8
- Tax Breaks for Donations to Overseas Projects [*KYODO*] 9
- Guidelines Against Money Laundering Issued [*KYODO*] 9
- Government Panel Reports on Financial Reform [*KYODO*] 9
- Kaifu on Plans To Update Self-Defense Forces [*KYODO*] 10
- Farmers' Group Opposes Uniform Rice Pricing [*KYODO*] 10
- Economic Growth Projected for Fiscal 1990 [*KYODO*] 10

Mongolia

- Sharabsambuu's Statement to ESCAP Highlighted [*Ulaanbaatar International*] 10

North Korea

- CPRF Holds Briefing on Disarmament Proposal [*KCNA*] 11
- 'Stable' Soviet Position on Reunification Cited [*KCNA*] 12
- NODONG SINMUN Comments on UN Entry [*KCNA*] 12
- South Selling 'Sham' Products Under 'Puma' Name [*KCNA*] 13
- Media Assail Bush Declaration on War Anniversary 13
    - Remarks Justify U.S. 'War' [*Pyongyang Radio*] 13
    - Called 'Forgery of History' [*KCNA*] 14
- U.S. 'Aerial Espionage' Along MDL Reported [*KCNA*] 15
- U.S. Plan To Station New Ship in Japan Viewed [*KCNA*] 15
- KCNA Decries RisCassi's 'Bellicose' Comments 15
- DPRK Embassy Holds News Conference in Moscow [*Pyongyang Radio*] 16
- Light Industry Delegation Departs for USSR [*KCNA*] 16
- FRG Bundestag Committee Group Arrives on Visit [*KCNA*] 16
- Yon Hyong-muk Greets Romanian Prime Minister [*Pyongyang Radio*] 16
- Vietnam Party Adviser Supports Korean People [*KCNA*] 16

Officials Attend Mourning at Iranian Embassy *[KCNA]* ... 16
Newspaper on 'Incurable Disease of Imperialism' *[KCNA]* ... 16
Newspaper on 'Unshakable' Faith in Socialism *[KCNA]* ... 17
Sungri Motor Works Increases Truck Production *[KCNA]* ... 18
Daily Newspaper on Chuche Outlook on Labor *[KCNA]* ... 18
Yon Hyong-muk Addresses Light Industry Meeting *[Pyongyang Radio]* ... 19

South Korea

No Meets Media on North-South Issues, Politics *[YONHAP]* ... 30
Japanese Agency on DPRK's Declining Trade *[THE KOREA HERALD 27 Jun]* ... 31
Japanese Official: DPRK To Change in 3 Years *[TONG-A ILBO 28 Jun]* ... 31
Scholar on Possible Internal Conflict in DPRK *[CHUNGANG ILBO 25 Jun]* ... 32
North Places Gorbachev Second on 'Protocol' List *[THE KOREA HERALD 28 Jun]* ... 32
'Single Channel' Urged for USSR Economic Ties *[YONHAP]* ... 33
Seminar on Expense of Replacing U.S. Troops *[YONHAP]* ... 33
Women Dissidents on Security Law, U.S. Force *[YONHAP]* ... 34
FRG, GDR, Korean Firms Set Up Consortium *[YONHAP]* ... 34
Dissident Publishers Charge Government Oppression *[THE KOREA TIMES 28 Jun]* ... 34
Cabinet Favors Stricter Broadcasting Control *[YONHAP]* ... 35
Government To Revise Immigration Control Law *[YONHAP]* ... 35
Government Planners Revise Economic Forecast *[YONHAP]* ... 36

SOUTHEAST ASIA

Cambodia

Heng Samrin at Party Anniversary Meeting *[Phnom Penh Radio]* ... 37
Editorial Marks Party's Founding Anniversary *[Phnom Penh Radio]* ... 37
Foreign Officials Greet CPAF Anniversary ... 38
    SRV Minister's Message *[Phnom Penh Radio]* ... 38
    Yazov Greets Tie Banh *[Phnom Penh Radio]* ... 39
    Bulgaria Sends Greetings *[Phnom Penh Radio]* ... 39
    Polish Minister's Message *[Phnom Penh Radio]* ... 39
Hun Sen Receives Foreign Guests 27 Jun *[SPK]* ... 39
SRV Reportedly Orders Transfer of Tie Banh *[Radio VODK]* ... 39
VODK Responds to Tran Quang Co's Statement ... 40

Indonesia

Alatas, Japanese Minister Discuss Beijing Talks *[Jakarta Radio]* ... 40
Armed Forces Ready To Back Suharto Reelection *[THE JAKARTA POST 20 Jun]* ... 41
Defense Minister Meets SRV's Vo Nguyen Giap *[Jakarta Radio]* ... 41

Laos

Nouhak Phoumsavan Opens SPA Plenary Session *[Vientiane Radio]* ... 41
Leaders Receive Message of Thanks From DPRK *[KPL]* ... 42

Philippines

Government Reacts to U.S. Peace Corps Decision ... 42
    Aquino To Order Probe *[Quezon City Radio-TV]* ... 42
    Ramos, Biazon Comment *[Manila Radio]* ... 42
    Gomez Regrets Pullout *[Baguio City Radio]* ... 43
    Security Briefing Held *[Manila Radio]* ... 43
Presidential Aide Views Phaseout of U.S. Bases *[AFP]* ... 43
Anti-Bases Demonstration Held at U.S. Embassy *[Quezon City Radio-TV]* ... 44
USSR Seeks Permission To Conduct Research *[THE MANILA CHRONICLE 26 Jun]* ... 44
Cabinet Holds Workshop on Kabisig Program *[Quezon City Radio-TV]* ... 44
    Requirements Issued *[Quezon City Radio]* ... 45

Aquino Makes Statement on Kabisig, Other Issues *[Manila Radio]* 45
Ramos Reports Truce Between Sulu Warring Clans *[Manila Radio]* 45
Official on 'Backward' State of Agriculture *[THE MANILA CHRONICLE 26 Jun]* 46
YOU Leader Reports Increase in Recruits *[THE MANILA CHRONICLE 28 Jun]* 46
Suspected Military Rebel Arrested in Palawan *[Quezon City Radio]* 47
NPA Kills Former Civilian Defense Member *[Manila Radio]* 47

Thailand

Revival of U.S. Role in Southeast Asia Viewed *[SIAM RAT SAPDA WICHAN 24-30 Jun]* 47
Position on Aviation Talks With U.S. Noted *[Radio VOFA]* 48
Son Sann Asks Chawalit To Sponsor Peace Talks *[AFP]* 49
  Chatchai Welcomes Move *[Bangkok Radio]* 49
Prospects for Repatriation of Burmese Noted *[THE NATION 22 Jun]* 50
  Students Issue Statement *[THE NATION 25 Jun]* 50
Further on Chawalit's Future Political Role *[BANGKOK POST 28 Jun]* 50
  Chatchai's 'Tactic' Viewed *[BANGKOK POST 28 Jun]* 51
  Press Criticized *[BANGKOK POST 28 Jun]* 52
  Party Leaders Reproved *[THE NATION 26 Jun]* 52
Chatchai Warns Cabinet of 'Crucial' Battles *[THE NATION 27 Jun]* 53
Chatchai Presents Details of Balanced Budget *[BANGKOK POST 28 Jun]* 54
Confiscated Narcotics Destroyed in Bonfire *[Bangkok Radio]* 55

Vietnam

National Assembly Issues Communique No. 6 *[Hanoi Radio]* 55
More on 27 Jun National Assembly Proceedings *[Hanoi Radio]* 55
H'mong Radio Program Reaches Tribal People *[Hanoi Radio]* 56
Dong Sy Nguyen Chairs Ship Chandling Meeting *[VNA]* 56
'Imperialist' Antisocialist 'Schemes' Analyzed *[Hanoi Radio]* 56
Sihanouk, Son Sann Urged To Be 'Firm' *[Hanoi International]* 58
Australian Delegation Presents Medical Aid *[VNA]* 58

Japan

Reportage on Conclusion of SII Talks

OW2706163990 Tokyo KYODO in English 1619 GMT 27 Jun 90

[Text] Tokyo, June 28 KYODO—Japan and the United States virtually concluded the yearlong bilateral talks for removing structural trade barriers early Thursday as Prime Minister Toshiki Kaifu made a key decision on Japan's public works spending, eliminating the last obstacle to a final agreement.

Kaifu decided to add 15 trillion yen to Japan's original proposal of 415 trillion yen for the 10-year public works spending plan from fiscal 1991, government sources said. He telephoned U.S. President George Bush to inform him of the decision, and said he had done his utmost to bring the talks to a successful end, a top-ranking Foreign Ministry official said.

Bush reportedly responded that he would hear the details of the talks from U.S. officials, but expressed his appreciation for Kaifu's efforts, according to the official, who refused to be identified.

Kaifu's awaited decision came after he met Finance Minister Ryutaro Hashimoto Wednesday night to discuss the issue, the sources said.

Japan spent a total of 263 trillion yen on public works in the 10 years from 1981 to 1990.

The government presented the 430 trillion yen, plus 33 trillion yen through investments by former state-run firms like Nippon Telegraph and Telephone Corp. and Japan Railway Group, as the last proposal in the current round of talks.

The Tokyo meeting could have broken down if the two sides had failed to reach agreement by noon on Thursday since the U.S. delegation must return home for preparations for the summit meeting of seven major industrial countries slated for July 9-11 in Houston, Texas. The U.S. delegates to the talks, who had been insisting on a substantial increase in the figure, accepted the new offer, the sources said.

The fifth and final round of Structural Impediments Initiative (SII) talks finally boiled down to a prime ministerial decision on the issue as negotiators from the two countries reached agreement on most of the topics on the table during the meeting that started on Monday. After the talks became deadlocked over the public spending problem, the meeting went into an unscheduled extension on Wednesday.

The agreement will be spelled out in the final report to the talks, which is expected to be released later Thursday.

Hashimoto, after meeting with Kaifu, said: "I explained my basic stand to the prime minister." "I presented a figure and got his approval," he said.

Prior to the meeting with Kaifu, Hashimoto met U.S. Assistant Treasury Secretary for International Affairs Charles Dallara and U.S. Ambassador to Japan Michael Armacost, and told them the new plan, according to the sources.

Asked if the figure represents Japan's largest possible offer, Hashimoto said: "Yes. The U.S. side must now discuss the figure with Washington." The Finance Ministry, which had been opposed to raising the figure for fear of sparking inflation, yielded to political pressures from both Tokyo and Washington.

'Text' of Kaifu's Statement

OW2806154590 Tokyo KYODO in English 1517 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—The following is the full text of Prime Minister Toshiki Kaifu's statement on the final report of the Structural Impediments Initiative [SII] talks:

Statement by Prime Minister Toshiki Kaifu on the Japanese Measures in the Structural Impediments Initiative Final Report

1. In line with the joint statement issued by the United States and Japanese heads of government July 1989, our two governments have been making their utmost efforts to advance the Structural Impediments Initiative (SII) over the past year. The SII, as a complement to macroeconomic policy coordination, provided an opportunity for Japan and the United States to point out structural issues of our trade and international balance of payments as well as to take the initiative to deal with structural issues for which the need of improvement is felt. Having made SII one of my cabinet's highest priorities, I am profoundly pleased that this fifth plenary session in Tokyo has succeeded in compiling the final report.

2. I am confident that the SII will greatly contribute to improving the Japanese standard of living, enhacing consumer interests, and bringing the Japanese economy to be more harmonious with the world economy. It is my belief that the people of Japan have understood the significance of these talks and supported warmly the government's position on them. This final report, in further substantiating and specifying various measures included in the interim report, points to policy goals for promoting further structural improvements.

I am well aware that the implementation of the Japanese measures contained in the final report may encounter difficulties and the process may also be painful. However, these measures are intended to achieve a major reform of the Japanese economy in the consumers' best interests and implementing them steadily and in good faith is a prerequisite to the stable development of the world economy as well as to the promotion of the Japan-U.S. global partnership. Above all, it is in our own interest to address these problems. At the same time, I firmly believe that the measures taken pursuant to these talks will benefit not only Japan and the United States but the whole international community as well.

Consequently, as I am determined to deal with these measures in a most vigorous and attentive manner so that the implementation will be smooth, I ask for the further understanding and cooperation of the people of Japan. I am confident that the United States and other countries will be appreciative of this Japanese attitude.

3. Needless to say, these talks were premised upon their being a two-way street between Japan and the United States, and I earnestly hope that, on the part of the United States, a determined effort under President (George) Bush's leadership will be made to reduce its fiscal deficit and to enhance its industrial competitiveness. In this regard, I highly appreciate the statement issued Tuesday by the President concerning the reduction of the budget deficit through I.A. tax revenue increase.

4. With regard to the policy on direct investment which was discussed in these SII talks, I would like to state clearly that Japan wholeheartedly welcomes the mutual increase of direct investment between Japan and other countries, and I have therefore arranged that a statement be issued on the subject.

Report on Measures Adopted

OW2806122490 Tokyo KYODO in English 1140 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Japan and the United States concluded Thursday yearlong negotiations on redressing shortcomings in their economic structures believed hampering their bilateral trade, government sources said. The two sides called it a deal after five rounds of meetings, which started July last year, with a landmark bilateral accord committing both governments to the onerous tasks of removing structural barriers to trade and investment on a wide spectrum of fields.

The two countries will soon release a final report on the Structural Impediments Initiative (SII) talks after approval by the Japanese Cabinet later in the day. They may also issue a joint communique proclaiming the significance of the SII talks.

The measures adopted in the talks, which appear to some Japanese Government officials to border on interference in internal affairs, are aimed at making a significant dent in the towering U.S. trade deficit with Japan, which amounted to 49 billion dollars last year.

The agreements spelled out in the report will include Japan's pledges to spend double the sum in public works spending in the next 10 years that it did in the past decade, to speed up its patent-approval procedure, enhance antimonopoly law enforcement, and make it easier for large-scale retail stores to open.

The accord also committed Washington to slashing its tremendous federal budget deficit through raising taxes - a promise President Bush announced on Tuesday before the conclusion of the meeting.

Delegates from the two countries met in Tokyo since Monday to hammer out the final report, which gives full details of measures included in the interim report released in April.

The final round of talks were extended to an unscheduled third day, and then to a fourth day as the two countries reached an impasse over how much Japan should outlay in public spending in the coming decade. Kaifu's political decision Wednesday night to add 15 trillion yen to Japan's original offer of 415 trillion yen for the 10-year public works spending plan salvaged the talks just as they were on the verge of breaking down because of the schedule problem.

Some members of the U.S. delegation must return home Thursday for preparations for the annual summit meeting of seven major industrial countries, slated for July 9-11 in Houston, Texas. Japan did not want the talks to drag on further to ensure that the scheduled Kaifu-Bush meeting on July 7 not be plagued by drab trade issues.

Final Report Nears Completion

OW2806064990 Tokyo KYODO in English 0624 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Japanese and U.S. trade negotiators were putting the finishing touches Thursday to the final report on the Structural Impediments Initiative (SII) talks after striking deals on most of the main outstanding issues. Prime Minister Toshiki Kaifu's decision Wednesday night to boost Japan's proposed public works spending over the next 10 years helped push the fifth and final round of SII talks toward a conclusion, according to sources close to the talks.

The talks, which started Monday, were extended to an unscheduled third day and then to a fourth day as the two sides reached an impasse over the public spending issue. The yearlong SII is aimed at removing structural barriers to trade and investment in both countries. Officials from the two countries were busy working out the remaining details and wording of the final draft report, which is expected to be approved at a Cabinet meeting Thursday night, government sources said.

Kaifu is expected to hold a press conference after the Cabinet meeting to proclaim Japan's commitment to the pledges made in the final report as well as the interim report issued in April. He will also issue a statement concerning enhancing foreign direct investments in Japan, the sources said. With the removal of the largest stumbling block, the public spending issue, the delegates from the two countries focused on the question of shortening Japan's process of granting patents and the nature of the follow-up system to the talks.

On the patent issue, Japan yielded to a U.S. request and promised to shorten the period to around 24 months from the current average of 37 months, the sources said. Japan had originally proposed to streamline its patent-granting procedures so that it would take no more than 30 months to obtain a patent—the same as in the European Community. In exchange, the U.S. has withdrawn its demand that Japan should increase its Patent Office personnel by 100 annually for the next five years, they said. The U.S. side has apparently accepted Japan's argument that shortening the process is possible without such a large increase in staff through further computerization. The U.S. argued that the time taken by Japan to grant patents hampers fair competition between U.S. and Japanese companies in the high-technology field. In the U.S., the same process takes an average of only 18 months.

The two sides are now seeking an agreement on the follow-up issue. The expectations are that there will be two follow-up meetings every year as well as an annual report on the implementation of the measures agreed on. As a result, the major new agreements to be included in the final report include Japan's pledges to spend 430 trillion yen on public works projects plus 25 trillion yen as investments by former state-run companies like Nippon Telegraph and Telephone Corp. and the Japan Railway Group., to formulate a set of administrative guidelines for eliminating exclusionary business practices, and establishment of a new forum for boosting Japan's imports.

On the issue of trimming the towering U.S. budget deficit, the report will refer to President George Bush's just-announced commitment to raise taxes for that purpose, according to the sources. Bush said Tuesday that tax revenue increases must be part of an overall package to reduce the budget deficit.

Business Leaders Comment

OW2806123490 Tokyo KYODO in English 1215 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Business leaders generally hailed Thursday what they see as the successful conclusion of the Structural Impediments Initiative (SII) talks between Japan and the United States, which they believed will guarantee friendly relations between the two countries.

"We appreciate the success, since it is expected to help cement the ties between Japan and the United States," said Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren). Negotiators from Japan and the U.S. reached agreement on the scale of Japan's spending on public works over the next 10 years, finally bringing the fifth and final round of talks to a close.

The yearlong talks, aimed at narrowing the large trade imbalance between the two countries by eliminating barriers to trade and investment in both economies, produced agreement Thursday night on the terms of a final report.

Japan's spending on public works proved the thorniest issue to resolve, as the original Japanese offer to commit to spending 415 trillion yen over the next 10 years failed to satisfy the U.S. side, which saw the amount as too little to reduce Japan's trade surplus with the U.S., which amounted to 49 billion dollars last year.

The Japanese Government decided late Wednesday to add 15 trillion yen to the original amount, an offer accepted by the United States. But some business leaders expressed concern over the impact of the huge spending commitment on Japan's national finances. Eiji Suzuki, president of the Japan Federation of Employers' Associations, said he is worried that fixing public works expenditures might deprive the government of flexibility in its budgetary engineering and have adverse effect on Japan's budgetary restructuring. He also said such heavy spending may further heat up the Japanese economy and threaten price stability.

Meanwhile, the construction sector welcomed the infrastructure plan, which is expected to substantially boost construction projects over the next decade.

Taira Shibata, president of the Japan Civil Engineering Contractors' Association, comprising civil engineering and construction companies, said the agreement is a realization of long wish of the industry.

Small-to-medium-sized construction firms, which depend heavily on public works projects, also see the public works expansion as a chance to boost earnings. But some construction industry analysts are worried that the increased public works spending will exacerbate the labor shortage in the sector and force up construction costs.

But steelmakers, another likely beneficiary of the plan, welcomed the infrastructure spending increase, believing that it will help expand steel demand and envigorate the industry.

Agreement With U.S. on Communications Market

OW2706131890 Tokyo KYODO in English 1204 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—Japan and the United States reached a broad agreement Wednesday on the opening of the Japanese telecommunications market, officials of the Posts and Telecommunications Ministry said.

The officials said the agreement was reached at a meeting between Minoru Shioya, vice minister of posts and telecommunications, and Linn Williams, deputy U.S. trade representative. The officials said Shioya and Williams agreed on the opening of the Japanese market for digital service units, or network channel terminating equipment, and international value-added telecommunications network. Both sides agreed to solve remaining issues as soon as possible, including the timing of the opening of the integrated services digital network (ISDN) market, the officials said.

As for the value-added network (VAN) issue, Williams expressed his hope that Japan will simplify procedures for foreign entry into the market, allowing foreign firms to inaugurate new services without applying to the Posts and Telecommunications Ministry for permission each time. Shioya replied that Japan would study the matter in view of differences in systems between the two countries, the officials said. Experts from the two countries will study the issue at a meeting to be held in the middle of July, they added.

Pickens Calls Koito Shareholders' Meeting Sham

OW2806142790 Tokyo KYODO in English 0842 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Takeover specialist T. Boone Pickens and 32 stockholders in his private investment firm on Thursday stormed out of a Koito Manufacturing Co. shareholders' meeting while it was still in progress.

Pickens, president of Boone Co., said he was going to tell members of the U.S. Congress and those attending the July 9-11 Houston summit that "it's a closed system here and they're against foreigners."

"It's a closed system because they wouldn't even answer our questions in there," he told reporters as he was leaving a hotel in central Tokyo where the meeting was being held. "They wouldn't answer questions about financial statements" or "where the money had been spent," he said. Pickens described the gathering as "a sham and an absolute farce," adding that "if this kind of annual meeting were held in the U.S., they'd put 'em all in jail for what happened."

The Texas oilman, who claims to own 26.4 percent of Koito's stock, was in Japan to attend the annual gathering and to table seven proposals, including a request for four seats on the firm's board of directors. Toyota Motor Corp., the nation's largest automaker and closely affiliated with Koito, which makes car components, has a 19.1 percent stake in the firm and three representatives on its board. Koito's management displayed total contempt for the American shareholders in attendance, Pickens said in a written statement released a few hours after his departure from the meeting.

"The absolute arrogance of corporate Japan which has shown to the world it has no intention of letting any outsiders participate in the Japanese economy," it said. "Koito's management evaded every question raised by Boone Co. and the American shareholders, while blatantly favoring questions from Japanese." A senior Koito official denied charges that his firm was discriminating against Pickens because he was American.

"We believe that we have shown our sincerity and wholeness in trying to listen to questions posed by Mr. Pickens," he said. Koito said Pickens' demand for seats on the board of directors was rejected not because of their nationality, but because the firm believed they lacked the capabilities needed to become board members, said a Koito executive. When asked why Pickens may have left the meeting, a Koito official said "perhaps he wanted to achieve some dramatic effect."

Regarding the activities of the "sokaiya" who heckled Pickens and his entourage throughout the meeting, a Koito official said the insulting remarks uttered by the sokaiya members were beyond the firm's control, adding that "it is quite regrettable such remarks had been made." Sokaiya are professional racketeers who threaten to embarrass corporations and their executives during their annual shareholders' meeting if they are not paid off.

A Koito official dismissed suggestions that the repercussions of the meeting would hurt Japan-U.S. relations. "The dispute is between a single private firm and an individual," he said.

Shareholders Veto Proposals

OW2806150990 Tokyo KYODO in English 0952 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—U.S. takeover specialist T. Boone Pickens tasted defeat Thursday when seven proposals of his each met with rejection at the annual shareholders' meeting of Koito Manufacturing Co. The failure to produce any breakthroughs in his bid for four seats on the Koito Board of Directors was widely expected, however, despite his assertion that the majority of Koito's small, individual investors had expressed support for his proposals.

Pickens, whose Boone Co. holds the largest share of the Japanese auto parts manufacturer with a 26.4 percent stake, has said that his proposal of awarding his company four board seats is reasonable and justifiable as Toyota Motor Corp., Koito's second-largest stockholder with a 19.1 percent stake, already holds three such seats. Pickens proposal to include in the company's articles of incorporation a provision to ban greenmail, also met defeat. The Texas oilman has denied charges that in acquiring Koito's shares he is attempting greenmail, a practice aimed at forcing a company to buy back its own shares at a premium. He says that his investment in the auto-lighting maker is based on a long-term strategy.

"You keep hiding behind the accusation that I want greenmail. This is a diversion," Pickens said at the three-hour annual shareholders' meeting. Pickens also directed his attack toward Toyota and the "keiretsu" system of competition-restricting company affiliations, saying "I think it's time to identify the real greenmailer at Koito. It is Toyota." He said, "Toyota receives special treatment every time they force a price reduction on Koito," and, "Toyota and the keiretsu system are greenmailing Koito."

At a press conference after the marathon meeting, Koito President Takao Matsuura repeated that his company's Board of Directors has concluded that Pickens is a greenmailer, acting in concert with Kitaro Watanabe, a Koito shareholder who Matsuura said supplied Pickens with Koito shares now registered in the name of Boone Co. Matsuura cited a number of factors, including Pickens' persistent refusal to disclose the nature and terms of his arrangements with Watanabe, as showing evidence of greenmailing.

The Koito president told a large pool of reporters that he and his company are firmly resolved to combat all "harassment tactics" that Pickens may employ in the future. Criticizing Pickens for what Matsuura termed as his tenacious attempt to unfairly politicize the dispute between the United States and Japan, the Koito president said, "what we have now is a matter of one individual private company and a corporate raider and has nothing to do with trade or investment issues between the two nations."

Matsuura went on to say that Pickens so far has been trying to take advantage of such harassment tactics in his attempt to raise the dispute to the political and diplomatic level, magnifying misunderstandings between the two nations' governments and nationals. Pickens and more than 30 other American shareholders who attended the shareholders' meeting walked out in the middle of the session before a vote rejecting all their proposals was taken. Asked about the walkout, one high-ranking Koito official said Pickens might have intended to create some dramatic effect at an otherwise fruitless session for him.

Kaifu To Raise Asian Topics at Houston Summit

OW2806074490 Tokyo KYODO in English 0730 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Prime Minister Toshiki Kaifu said in separate talks with opposition leaders on Thursday that he hopes to raise the question of creating a new order to ensure security and peace in Asia at the upcoming economic summit in Houston, Texas, of seven industrialized nations.

Kaifu, in a meeting with Japan Socialist Party (JSP) Chairwoman Takako Doi, said Japan will insist on discussing the sweeping geopolitical changes taking place as they affect Asia and the Pacific, and not just Europe. Kaifu met Doi and other opposition party leaders to exchange views on international affairs ahead of the summit to be held in Houston from July 9 to 11.

Kaifu also held such talks with Komeito Chairman Koshiro Ishida, Democratic Socialist Party Chairman Keigo Ouchi and Japan Communist Party Chairman Tetsuzo Fuwa.

Doi, the leader of Japan's largest opposition party, urged Kaifu to caution summit leaders against making statements that might obstruct the promotion of dialogue between the two Koreas. She further urged Kaifu to reiterate at the summit Japan's objection to foreign pressure to open its rice market.

Kaifu replied that he will explain to the other six leaders Japan's opposition to moves to force it to open its rice market at the Uruguay Round of international trade talks, and that Japan feels obliged to protect its rice market as a means of ensuring food security.

Following his meeting with Doi, Kaifu met Ishida, and told him Japan will make every effort at the summit to ensure that China is not isolated from the world. Kaifu made the remark after Ishida called on him to consider lifting Japan's economic sanctions against China.

Ishida also urged Kaifu to seek ways of satisfying domestic farmers and foreign countries in tackling liberalization of rice imports.

Concerning Japan's official development assistance (ODA), Fuwa told Kaifu that the Japanese Government should not extend the ODA to developing countries on the basis of strategic thinking. Kaifu denied that aid was given on the basis of such thinking, and said Japan has given the ODA to developing countries as they requested it.

In his meeting with Ouchi, Kaifu was asked to urge summit leaders to discuss economic cooperation between the Soviet Union and Western industrial countries, and the reduction of Soviet military forces in Eastern Asia.

Kaifu said Japan will promote economic cooperation with the Soviet Union in consideration of the territorial dispute with that country over islands off Hokkaido occupied by the Soviet Union since the end of World War II.

To Discuss Own View of China

OW2806083590 Tokyo KYODO in English 0822 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Prime Minister Toshiki Kaifu said Thursday Japan will discuss China from its own perspective at the July 9-11 summit meeting of seven major industrial nations in Houston, Texas.

Kaifu made the remarks at a press conference in reference to Japan's yen loan package frozen after the Chinese military crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square last June.

Japan is reportedly considering lifting a freeze on 810 billion yen in yen-based loans to China for fiscal 1990-95 after the Houston Summit meeting with the consent of other summit member nations.

Kaifu also said he plans to convene an extraordinary Diet session in autumn to deliberate the 3 percent Consumption Tax and map out an election system reform draft in late November.

Hopes To Discuss Soviet Aid

OW2806111490 Tokyo KYODO in English 1029 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Prime Minister Toshiki Kaifu expressed caution Thursday about West European proposals to offer economic aid to the Soviet Union to help promote perestroyka restructuring efforts.

"When the necessary time comes, Japan is prepared to offer as much economic cooperation as possible" to the Soviet Union, Kaifu said. Speaking at a nationally broadcast news conference, the prime minister said Japan is "different" toward the Soviet Union from Western Europe, the United States and other major aid donor countries because of a longstanding territorial dispute.

The Soviet Union has occupied three islands and a group of islets just east of Hokkaido after World War II. Japan and the Soviet Union have concluded no peace agreement, Kaifu said. Kaifu, meeting reporters upon the ajournment Tuesday of the special session of the legislature, also expressed concern about the unclear direction of democratization in the Soviet Union.

West Germany and France are the main proponents of a scheme to assist Soviet President Mikhail Gorbachev in his plans to restructure the flagging Soviet economy. U.S. Secretary of State James Baker plans to consult with U.S. allies on the matter, U.S. officials said Wednesday.

Kaifu said he hopes to exchange views on Soviet aid proposals at the annual summit of seven major economic powers in Houston, Texas, on July 9-11. Attending will be leaders of Britain, Canada, France, W. Germany, Japan, Italy, and the United States.

Kaifu indicated that he is optimistic on the future of bilateral relations with the Soviet Union. "I hope Soviet President Mikhail Gorbachev will come to Tokyo early next year, and that his visit will provide a demarcation point in our relations," Kaifu said.

He said there could be a "balanced expansion" of relations despite the dispute about the islands off Hokkaido—Etorofu, Kunashiri, Shikotan, and the Habomais.

Kaifu said he would consider a return visit to Moscow "if necessary" after Gorbachev's trip to Japan. Gorbachev has repeatedly said he will visit Japan in 1991, but there is no set date for the Soviet leader's visit here.

Kaifu said he plans to stress at the summit that Asia must be included in the pursuit of a stable and prosperous world economy. China must not be isolated from the international community, Kaifu reiterated. But he said Japan's decision to unfreeze 810 billion yen in loans to China would not be linked with summit discussions.

"Japan will take independent action," he said, citing recent signs of improvement in China's human rights performance, such as the permission granted this week for dissident scientist Fang Lizhi and his wife to leave the country.

Other issues he mentioned for discussion at the summit are assistance to Eastern Europe, Third World debt, global environment issues, drug trafficking and terrorism.

Kaifu, addressing a broad range of domestic and international issues, adamantly denied that he had caved in to U.S. pressure in the Structural Impediments Initiative (SII) talks aimed at removing structural barriers to trade and investment. The two countries reached a final agreement Thursday.

Late Wednesday, Kaifu took a political decision that Japan will spend 430 trillion yen on public works during the coming 10 years, an increase of 15 trillion yen from an earlier Japanese offer. The prime minister said necessary measures would be taken to ensure that the 430 trillion yen investment would not be inflationary.

On the domestic political schedule, Kaifu said he hopes to conclude debates on political reform in time for the centenniel of Japan's parliament on November 29.

The prime minister said high land prices remain the most important issue facing his cabinet, and added that he hopes to pass laws revising land taxation before the current fiscal year ends next March 31.

He said he hoped a multiparty tax council launched Tuesday, the final day of the 120-day Diet session, would resolve the debate among the ruling Liberal Democratic Party and opposition parties on whether to revise or scrap the Consumption Tax.

Kaifu said he would like to hold an extraordinary Diet session in the fall to finish debates on the Consumption Tax, political reform, and land policy.

Nakayama To Give Tunisia's Warning to U.S.

OW2806132990 Tokyo KYODO in English 1037 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Tunisian Foreign Minister Ismail Khelil warned here Thursday that the recent U.S. decision to terminate its dialogue with the Palestine Liberation Organization (PLO) will encourage extremist elements in the volatile Middle East, Japanese Foreign Ministry officials said.

Khelil issued the cautionary remarks in a meeting with his Japanese counterpart Taro Nakayama on the second day of his five-day visit to Japan through Sunday, officials said. Officials said that Nakayama promised to convey the Tunisian foreign minister's sentiments to

U.S. Secretary of State James Baker, whom he will meet on several occasions over the next month.

Khelil was quoted as calling U.S. President George Bush's suspension of an 18-month dialogue with the PLO on June 20 "very regrettable."

He added that it will encourage radical elements in the Arab World to carry out "extreme actions" and will substantially weaken the position of Arab moderates. Bush took the punitive move in the wake of what he referred to as an attempted "seaborne terrorist infiltration" into Israel by Palestinian fighters on May 30, which he alleged was aimed at civilian targets.

Bush added in explanation that the United States had "given the PLO ample time to deal with this issue," an apparent allusion to PLO Chairman Yasir 'Arafat's failure to condemn the action.

Nakayama did not state Japan's position on the U.S. move to sever communications with the PLO, while Foreign Ministry officials were reluctant to comment on the issue. Japan has had smooth relations with the PLO and allows the organization to maintain a nominal permanent general mission of Palestine in Tokyo.

Officials said Nakayama told Khelil that Japan is aware of the growing apprehension among Arabs over the influx of Soviet Jews into Israel and the occupied West Bank and Gaza Strip. Khelil expressed appreciation for Japan's support of the Middle East peace process and its provision of assistance to Palestinian refugees in the occupied territories.

Officials said Khelil told Nakayama of plans by the Arab Maghreb Union (AMU), a loose alliance of five North African nations, to strengthen relations with the European Community (EC) ahead of that body's plans to create a unified market by 1992. He indicated that the AMU—which groups Algeria, Libya, Mauritania, Morocco, and Tunisia—is heavily dependent on trade with the EC and is concerned about the prospect of being left in the lurch as the process of European integration picks up steam. Khelil, the first Tunisian foreign minister ever to visit Japan, invited Nakayama to pay a visit to Tunisia. Nakayama reportedly replied he would like to do so if the opportunity presents itself.

Loans to PRC 'Resuming' After Houston Summit

OW2706123390 Tokyo KYODO in English 1222 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—Japan plans to lift a freeze on 810 billion yen in yen-based loans to China after the July 9-11 summit meeting of seven major industrial nations in Houston, Texas, government sources said Wednesday. The government is expected to send a senior Foreign Ministry official and a government mission to China after the summit as a first step toward resuming the yen loan package, the sources said. The package was frozen after the Chinese military crackdown on pro-democracy demonstrators in Tiananmen Square last June.

Sakutaro Tanino, director general of the Foreign Ministry's Asian Affairs Bureau, and officials from four government ministries will hold exploratory talks with Chinese officials on the yen loan projects.

Japan is considering resuming its financial support for projects which will mainly help stabilize the livelihood of the Chinese people, the sources said. They predicted that other summit member nations will give the green light to a resumption of Japan's loan package at the Houston summit because of the departure of noted Chinese dissident Fang Lizhi and his wife Li Shuxian from China.

The couple had been hiding at the U.S. Embassy in Beijing from last June. They arrived in Britain on Monday after being allowed to leave China.

Japan promised to extend 810 billion yen in loans to China for fiscal 1990-95 when former Prime Minister Noboru Takeshita visited China in August in 1988.

Miyazawa To Meet PRC's Jiang Zemin, Li Peng

OW2806130090 Tokyo KYODO in English 0901 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Former Finance Minister Kiichi Miyazawa will visit China for six days starting from July 24 to discuss a frozen Japanese yen loan package with Chinese leaders, political sources said on Thursday.

Miyazawa will meet with Chinese Communist Party General Secretary Jiang Zemin, Premier Li Peng, and other officials in Beijing and Shanghai. Japan has withheld implementation of an 810 billion yen loan to China for 1990-95 since the military crackdown on the pro-democracy movement in Beijing in June last year.

The sources also said Miyazawa will visit West Germany and other European countries for nine days starting from September 2. He plans to meet West German Chancellor Helmut Kohl, the sources said.

Phased Return of Soviet-Held Islands Urged

OW2006143590 Tokyo KYODO in English 1318 GMT 20 Jun 90

[Text] Tokyo, June 20 KYODO—A senior politician of the ruling Liberal Democratic Party (LDP) reiterated Wednesday that Japan should consider a phased reversion plan as a realistic way of solving the territorial dispute with the Soviet Union, party sources said. Former Deputy Prime Minister Shin Kanemaru mentioned the idea in a meeting with two opposition leaders, Japan Socialist Party Vice Chairman Makoto Tanabe and Democratic Socialist Party Chairman Keigo Ouchi.

Kanemaru added, however, that Japan's demand for a return of the four Soviet-held islands east of Hokkaido en bloc is natural and that the plan for a phased return is merely a procedure aimed at regaining all the islands, the sources said. Kanemaru, leader of the LDP's largest faction under former Prime Minister Noboru Takeshita, mentioned a phased return of the islands in a lecture in late April but later apologized for "inviting misunderstanding" by the remark.

Japan has consistently claimed the return of the four islands seized by the Soviet Union at the end of World War II as a precondition for conclusion of a bilateral peace treaty.

Kanemaru was also quoted as telling the two opposition politicians that he would advise Prime Minister Toshiki Kaifu to give greater economic support to the Soviet Union. The veteran conservative added that cooperation and support for Soviet President Mikhail Gorbachev would help lead to global peace.

Survey of Japanese Left in Sakhalin After War

OW2506183190 Tokyo KYODO in English 0950 GMT 25 Jun 90

[Text] Niigata, June 25 KYODO—A government delegation left here Monday for a comprehensive survey of Japanese nationals stranded in the Soviet far east island of Sakhalin after World War II.

Marriage and other reasons kept an estimated 300 Japanese in Sakhalin, a former Japanese territory. A total of 281 stayed on the island after the war. Of these, 151 chose to stay while bureaucratic reasons prevented 130 from returning to Japan, according to data at the Health and Welfare Ministry.

Most Japanese now living there have Soviet or Korean nationality.

Soviet authorities put the Japanese population at 380.

A group of 12 Sakhalin Japanese visited Japan late last month, supported by a volunteer group. Five of them are not on the ministry's list of 281 residents in Sakhalin.

During their 12-day tour of four Sakhalin cities, six officials from the Health and Welfare Ministry, and the Foreign Ministry hope to obtain accurate information on Japanese residents, and the reasons for their displacement. The officials will also find out how many wish to make return visits to Japan for reunions with relatives.

Firm Begins Color TV Production in Vietnam

OW2606050790 Tokyo KYODO in English 0451 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—Victor Co. of Japan (JVC) said Tuesday it has begun to assemble home-use color television sets in Vietnam using parts imported from Japan. JVC sent engineers to help Vietnamese employees produce 14 to 20-inch TV sets at 10 factories in Hanoi and Ho Chi Minh City, a company spokesman said. The company had been exporting TV sets to Vietnam for four years, but started knockdown production to avoid the 40 percent import tax by Vietnam on completed products.

Hiroshima, Nagasaki Protest French Nuclear Test

OW2706082590 Tokyo KYODO in English 0643 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—The cities of Hiroshima and Nagasaki on Wednesday sent letters to French Ambassador Bernard Dorin to protest France's underground nuclear test Tuesday on Fangataufa Atoll in the Pacific, officials of both cities said. The officials said the letters urged France to immediately halt its nuclear tests and to hold talks with other nuclear powers to eliminate such weapons.

The test was the third of six planned for this year, continuing a series that began in 1975. The yield was less than 100 kilotons, equivalent to 100,000 tons of TNT, according to a statement released by the French Defense Ministry.

Responding to criticism over atomic test secrecy, French President Francois Mitterrand last month overturned a policy of never confirming or denying nuclear test blasts.

Tuesday's explosion, beneath Fangataufa Atoll in the Mururoa Atoll test site, was the second since the new information policy was introduced.

Cabinet Members Aid Iranian Earthquake Victims

OW2606031690 Tokyo KYODO in English 0222 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—Japanese cabinet members will donate 1.2 million yen to Iran, which was hit by a killer earthquake last week, government spokesman Misoji Sakamoto said Tuesday. Chief Cabinet Secretary Sakamoto said he has asked each of the 21 cabinet members to make a personal donation to assist with earthquake relief efforts in Iran.

"The Iran earthquake seems to be very severe, so I have asked each cabinet member to donate 50,000 yen" of their own money, Sakamoto said. Prime Minister Kaifu is to donate 200,000 yen, he said.

The money is in addition to 1 million dollars worth of governmental emergency assistance already approved by the cabinet.

Iranian authorities estimate 48,000 people were killed and 100,000 injured in the Thursday earthquake which registered between 7.3 and 7.7 on the Richter Scale.

Japanese cabinet members made personal donations after last fall's San Francisco earthquake.

Tax Breaks for Donations to Overseas Projects

OW2506051390 Tokyo KYODO in English 0322 GMT 25 Jun 90

[Text] Tokyo, June 25 KYODO—The Government introduced on Monday tax incentives for corporate donations to overseas projects that contribute to "the public interests of local communities," an official of the Ministry of International Trade and Industry (MITI) said. The new tax-incentive scheme is aimed to encourage Japanese firms to be "good corporate citizens" in foreign countries through donations to public-interest projects, said Ryuhei Wakasugi, director of MITI's International Business Affairs Division.

For that purpose, a nonprofit organization called the Council for Better Corporate Citizenship, which was established in September 1989, became a specially designated organization on Monday to serve as the conduit for sending money from Japanese firms to specially selected overseas recipients. Corporate donations to the council are now eligible for a special tax deduction currently allowed only for donations to specially designated organizations. The tax break is twice as large as that for ordinary donations.

The council, chaired by Sony Chairman Akio Morita, has set up a 10-member committee to select the overseas recipients of the corporate donations.

The projects should serve "large general public interests" in order to be eligible for the scheme, but do not need to have any connections with Japan or Japanese organizations, Wakasugi said.

The council, grouping 300 companies including most major firms, has already selected four recipients of the donations, and started collecting money for them in early March. One of them is a project to introduce the Japanese police-box system into the U.S., which is being promoted by the Eisenhower Foundation. The other recipients of the tax-holiday donations are the American Hospital in Paris, the Dole Foundation of the U.S., and the Asian Institute of Technology in Bangkok. The council has already sent 20 million yen to the Eisenhower Foundation and 1 million yen to the Dole Foundation as their share of donations for Fiscal 1989, which ended on March 31.

Guidelines Against Money Laundering Issued

OW2806144790 Tokyo KYODO in English 1313 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—The Finance Ministry issued Thursday administrative guidelines aimed at preventing money laundering, following recommendations by an international task force commissioned by the Group of Seven nations. The guidelines, intended for banks, life insurance companies and other financial institutions, call for checking the identity of their customers when they open accounts and reporting to the authorities any suspicious transfers of cash, ministry officials said.

Banks and other financial institutions will be required to identify their customers in cases of domestic transactions involving 30 million yen or more and international cash transfers of 5 million yen or more, they said. The guidelines also stipulate the requirement to report on the results of these identifications, they noted.

The rules come in line with a report issued last April by the international task force calling for international rules to counter money laundering, a practice in which funds obtained illegally, in many cases by deals in drugs, are converted into financial assets that appear legitimate.

The Finance Ministry and other ministries concerned are also working on drafting legislation designed to fight money laundering, the officials added. The Posts and Telecommunications Ministry and the Ministry of International Trade and Industry are also issuing similar administrative guidelines intended for postal offices and credit service companies, they noted.

Government Panel Reports on Financial Reform

OW2606031890 Tokyo KYODO in English 0246 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—A government advisory body has worked out an interim report that would serve as the base for sweeping financial reform in Japan, including the advance of banking and securities firms into each other's territory, Finance Ministry sources said Tuesday.

The report, compiled by a subpanel of the financial system research committee, an advisory panel to the finance minister, recommends commercial banks, long-term credit banks, trust banks, and securities houses set up subsidiaries when they want to branch out into new fields.

But on wholesale banking, the report pointed to the need for comprehensive study of the possibility of establishing a single holding company that would function as an investment bank carrying out both banking and securities businesses. However, the idea of creating an investment bank may invite criticism from both industries on the ground that it would favor only long-term credit banks specialized in wholesale banking, a financial source said.

The report also called for the need to establish systems for corporate disclosure, risk management, and erection of a barrier to prevent a flow of information between banking and securities divisions to protect depositors.

Based on the report, which will be presented for approval at a general meeting of the committee on July 13, the Finance Ministry is expected to complete the framework of a new financial system by next spring for implementation in the spring of 1993.

Kaifu on Plans To Update Self-Defense Forces

OW2806032190 Tokyo KYODO in English 0225 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Prime Minister Toshiki Kaifu said Thursday the government will give priority to upgrading the quality of the Self-Defense Forces (SDF) in a new midterm defense program to come into effect in the fiscal year starting next April.

The government is shifting the emphasis to the quality of the forces as the standard set in the five-year plan ending in the current fiscal year is likely to be realized, he said. Kaifu also said the government will take account of the changing world situation in formulating the new defense program, which is expected to be for three or five years.

Kaifu, meeting with senior SDF officers at the Defense Agency, added however that the government will stick to the basic stance laid down in 1976 that Japan should only aim to be moderately armed to maintain its own security. The policy was laid down by the cabinet of the late Prime Minister Takeo Miki, which set a ceiling on defense spending of 1 percent of Gross National Product (GNP).

Kaifu also stressed the government's intention to continue the security pact with the United States.

Farmers' Group Opposes Uniform Rice Pricing

OW2706131590 Tokyo KYODO in English 1230 GMT 27 Jun 90

[Text] Tokyo, June 27 KYODO—The Central Union of Agricultural Cooperatives on Wednesday called for revision of the government's uniform rice price system, claiming it will deal a blow to farming households.

The union, known as Zenchu, made the appeal on the basis of its study of the nation's rice pricing system. It said the government's rice purchase program will not contribute to promoting large-scale rice farming even if producer prices of rice are lowered. On the contrary, Zenchu said, it will discourage rice growers and force them to find new sources of income other than farming.

The report, compiled by an expert panel commissioned by the union, was released as debates on rice prices for the 1990 harvest approach a crucial stage. The report said there is a strong possibility that large-sized rice growers would withdraw from farming if their profitability worsened, and that small-scale farmers would be driven to find new sources of income if rice prices should fall. This tendency is particularly strong among farmers who produce rice of lower grades set by the government, such as those in Hokkaido and Aomori Prefecture, it said. The report urged the government to set rice prices by taking into consideration the regional situations and problems of farmers.

Economic Growth Projected for Fiscal 1990

OW2506105790 Tokyo KYODO in English 0830 GMT 25 Jun 90

[Text] Tokyo, June 25 KYODO—Japan's economy, having weathered the slump in financial markets early this year, is expected to post brisk 4.7 percent economic growth in the current fiscal year ending March 31, 1991, a private research institute said Monday.

The Nomura Research Institute said the figure is the result of an upward revision of its original estimate of a 4.2 percent economic growth, released in April. The 4.7 percent growth follows a 5.0 percent rise in fiscal 1989 and 5.3 percent expansion the year before, it said.

The institute said the bullish prediction is underscored by continuously brisk personal consumption, which is expected to expand 4.3 percent in fiscal 1990 from a year earlier, and robust private-sector capital spending, which it said will surge 9.4 percent from the year-earlier level.

The so-called "triple demerits" in yen, stock and bond prices until May did little damage to the economy, it said.

Nomura, one of Japan's most influential private think tanks, also said although prices have been stable so far, they need to be closely watched, since rising wages amid the acute labor shortage might ignite inflationary pressures.

Wholesale prices will rise 2.0 percent in fiscal 1990, while consumer prices will be up 2.5 percent, it said.

The institute also said Japan's external imbalance will continue to improve in the current business year, though the tempo of the reduction is expected to slow. It put the estimated trade surplus for the year at 65 billion dollars, down 5.2 billion yen from fiscal 1989 and also below its previous forecast of 69.9 billion dollars.

Meanwhile, Yasuda Trust and Banking Co. said it has also revised upward its projection of Japan's economic growth in fiscal 1990 to 5.4 percent from an original 4.7 percent. The revision reflects the bank's perception that the Japanese economy is reaching a stage where it is fueled by demand from both the domestic and overseas markets, and not just by domestic demand, amid the yen's weakening against the U.S. dollar.

Mongolia

Sharabsambuu's Statement to ESCAP Highlighted

OW2706125690 Ulaanbaatar International Service in English 0910 GMT 21 Jun 90

["Highlights" of the statement made by Mr. Badrahyn Sharabsambuu, deputy chairman of the Council of Ministers of Mongolia, at the 46th session of the United

Nations Economic and Social Commission for Asia and the Pacific, ESCAP, in Bangkok on 5 June—read by announcer]

[Text] Recent marked improvement in political situation throughout the world creates a favorable climate for intensified development of economic cooperation between nations, especially in the vast region of Asia and the Pacific. Indeed, it seems to be the common desire of most of the countries to work together for lasting peace and growing prosperity. More and more nations are involved in efforts to bring political settlement to regional issues and dividing differences. The economic performance of the countries of Asia and the Pacific remains a further source of (?food) for extended cooperation and stable development.

As the economic and social survey of Asia and the Pacific 1990 indicates, the economies of the developing (?commissioned) region continued to grow vigorously in 1989 although the rate of growth has become lower than in the previous years. Yet, greater efforts were made in our region in order to meet the emerging external and domestic challenges. What is needed is to pursue vigorously the policy of restructuring and renovation.

Mongolia remains firmly committed to structural changes in its economic and political life. Market oriented economy with government regulations and open-door economic policy towards foreign investment in the joint ventures are to be the co-elements of our policy of restructuring in the years to come. Both globally and regionally there is a good prospect to seek a solution to topical issues of today, such as the acceleration of growth rate in developing countries, environmental protection, raising the living standard of peoples, eradication of illiteracy, etcetera.

All these problems demand that the increasing interdependence of nations should be given greater attention and regional cooperation must be stepped up. And there is no doubt that the Commission has a decisive role to play in promoting cooperation and mutual support among the countries of our region.

Pressing on, Mr. Sharabsambuu dwelt on Mongolia's efforts to implement a wide-range reform program. The political side of the program includes greater pluralism of views in the political arena; true democratic form of management, both at state and party level; multiparty system; and increased role of state and government bodies in the affairs of the country. The economic side of restructuring policy includes the reduction in the role of central planning with decentralization of decision-making and expanded role for market mechanism and diversity of property form. The economic purpose of the structuring policy is to establish gradually an efficient market oriented economy with state regulations.

Mongolia is pursuing a policy of open economy towards all countries. Of course, the all-around cooperation with our traditional partners, neighboring countries, particularly with the USSR and the People's Republic of China, will be strengthened and expanded. Greater attention is given to our ties with the countries of Asia and the Pacific. We hope that our government's efforts to develop strong bonds of cooperation in various fields with Asian countries will be supported on their part. We are also intensifying our cooperation with the Western countries and their regional bodies, such as European Economic Community.

Recently, the Mongolian Government had adopted Foreign Investment Law which gives a legal framework for directing investment in Mongolia on the basis of equality and mutual benefit. It will be noted that rich mineral resources and raw materials place Mongolia in an advantageous position for developing economic cooperation with other countries. The government will continually encourage the establishment of joint ventures. We will reinforce our cooperation with international economic and financial organizations. The Commission and other regional institutions will be given increased attention in our drive towards rapid socioeconomic progress.

We greatly appreciate the understanding and the cooperative attitude of all countries towards Mongolia. It gives an additional source of encouragement for us to go ahead along the policy of restructuring and renovation, noted Mr. Sharabsambuu.

The question of environment protection remains to be one of the important global issues. Therefore, it is natural that countries of Asia and the Pacific regard the ministerial conference on environment to be held in October in Bangkok as a forum of critical importance to our region. We believe that the conference will reaffirm the fundamental right of every human being to a healthy and secure environment. In this connection, Mr. Sharabsambuu drew the attention of delegates to the proposals made by the Mongolian delegation at the 45th session of the Economic and Social Commission for Asia and the Pacific concerning the establishment of a regional center in the field of environment and on the elaboration of regional and subregional strategies for environmental protection and cooperation in the Asia-Pacific region.

North Korea

CPRF Holds Briefing on Disarmament Proposal

SK2706163990 Pyongyang KCNA in English 1517 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] today briefed home and foreign reporters on matters concerning the new disarmament proposal.

At the news briefing An Pyong-su, director of the Secretariat of the CPRF, spoke of the significance of the new disarmament proposal put forward at a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea, and a series of points worthy of attention in this proposal and its repercussions upon the people at home and abroad.

Referring to the significance of the new disarmament proposal, he noted that the proposal constitutes a measure of weighty importance in making the first breakthrough in achieving reunification in the '90s. Another significance of the new proposal, he remarked, is that it gives a strong impetus to the efforts for the relaxation of the situation in the Asia-Pacific region and has opened a new horizon for North-South disarmament negotiation. He noted that the South Korean authorities find it hard to shun the disarmament question any longer in face of the worldwide trend toward disarmament coupled with ever louder voices in the South Korean political and public circles criticizing the South Korean authorities for avoiding North-South military problems. It is a matter of time that they will be forced to come to disarmament negotiation, he added.

He elaborated on noteworthy points in the new disarmament proposal. Saying what deserves attention is our flexible stand manifested in the disarmament proposal, he explained that the disarmament proposal involves not a few problems that the United States and the South Korean authorities had argued for such as prior information and opening of a hot line. We think it a realistic attitude to do what can be done at least between the North and the South, though there are limitations at the moment since the United States is still refusing to respond to DPRK-U.S. talks, to say nothing of triparatite talks, he said.

How the South Korean authorities would respond to the disarmament proposal this time, he said, would be a good touchstone testing their "independence." Another noteworthy matter in the disarmament proposal is that it strictly rules out foreign armed intervention and interference in the Korean peninsula, he pointed out. The adoption of such measures will completely remove the external factors destroying the equilibrium of armed forces in the North and the South and menacing peace on the Korean peninsula, he said, adding: This will help to build confidence between the two sides and more dynamically facilitate the concerted efforts for peace, independence and reunification.

Touching upon the repercussions of the disarmament proposal at home and abroad, he noted: The governments, political parties, organisations and prominent figures of all countries around the world speak highly of the new disarmament proposal of ours, saying that it is a just step which conforms with the trend of the present times toward disarmament and detente, and voice solidarity and support for our peace efforts.

What draws particular attention is that the upper-class politial circles and authorities of South Korea are showing unusually deep interest in the new disarmament proposal. Any possibility of arms reduction and peace in our country depends on the attitude of the South Korean authorities. He expressed the expectation that the South Korean authorities will readily accept our proposal from a truly peaceloving and reunification-orientated stand. He expressed hope that the world peaceloving countries and peoples will extend full support to our efforts for peace. Then he answered questions put by reporters.

'Stable' Soviet Position on Reunification Cited

SK2706160790 Pyongyang KCNA in English 1528 GMT 27 Jun 90

["Soviet Position on Peaceful Korean Reunification Remains Stable"—KCNA headline]

[Text] Pyongyang June 27 (KCNA)—Gennadiy Gerasimov, spokesman of the Soviet Foreign Ministry, referred to the Soviet-Korean relations in a briefing at the Press Centre of the Soviet Foreign Ministry on June 26, according to a TASS report.

In the relations with the Democratic People's Republic of Korea the Soviet Union intends to stick to the principle of non-interference in internal affairs, develop bilateral relations and support the constructive proposals by the Republic's government aimed at lessening tension and normalising the political climate on the Korean peninsula, he said. Saying that Soviet position on peaceful Korean reunification remains stable, he expressed support to a broad dialogue between the North and the South of Korea.

NODONG SINMUN Comments on UN Entry

SK2806055490 Pyongyang KCNA in English 0540 GMT 28 Jun 90

["Preposterous Sophism for Permanent Division"—KCNA headline]

[Text] Pyongyang June 28 (KCNA)—The South Korean puppet mission at the United Nations June 26 called for the support of all the U.N. member nations to its admission to the U.N. Earlier, on June 20, the South Korean puppet representative at the U.N. opposed the co-entry of the North and the South into the U.N. with one seat and held that the North and the South should simultaneously enter it as different member nations. If this is impossible, he said, the South alone will seek its membership.

Commenting on this, a news analyst of NODONG SINMUN today says: This fully reveals the true color of the puppets as a group of traitors to the nation who are trying to prolong the remainder of their dirty political life by following the U.S. imperialists in the criminal moves to bar the reunification of Korea and create "two Koreas". The "U.N. membership" drama played by the No Tae-u group on the script of the U.S. and Japanese masters is a crafty artifice to legitimize the permanent division of Korea in the name of the U.N. and a treacherous act to leave the problem of reunification, the cherished desire of the nation, to the outside forces.

The clumsy drama of the shameless colonial puppets who are not entitled to enter the U.N. is nothing but a last-ditch effort to make our country, one nation, recognised as "two states" in the international arena and get the puppet regime "legalised". The puppets, in an attempt to conceal their sinister intention, are claiming that the "simultaneous entry" or the "separate entry" into the U.N. are "ways" of accelerating the "relaxation of tensions" and "peaceful reunification" of the Korean peninsula. But, the reality is quite contrary to the advertisement.

The main factor of the growing tensions and creation of obstacles in the way of reunification on the Korean peninsula lies in that the United States holds the whole prerogative of military command of South Korea and constantly commit moves of aggression and war against our Republic. "Simultaneous entry" or "separate entry" of the North and the South into the United Nations with South Korea remaining under the occupation of the U.S. imperialist aggression army, will only result in their permanent occupation. Can confidence be restored and reconciliation be achieved between the North and the South by means of "U.N. membership" without terminating the state of acute military confrontation between the North and the South?

The problem of the Korean membership of the U.N. is an internal affair of the Korean nation pertaining to its self-determination and a weighty event at which the survival of the nation is staked. It must be solved in accordance with the agreement of the entire nation and the North and the South under all circumstances. The North and the South should jointly enter the United Nations not with two seats but with one seat in favor of the reunification cause, in case they enter it before the reunification of Korea is realised.

The United Nations on the mission to defend peace and justice should help solve the Korean question in a peaceful and unbiased way. The U.N. must never allow its arena to be used for aggravating the tensions on the Korean peninsula and obstructing its reunification.

South Selling 'Sham' Products Under 'Puma' Name

SK2806104390 Pyongyang KCNA in English 1012 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—MINJU CHOSON today carries a news analyst's article on the South Korean puppets' swindle with trademark "Puma." According to materials released by the Hungarian police authorities, the Kolon company of South Korea sold off its sportswear with the trademark "Puma" of West Germany attached to them, the paper says, and continues:

The trademark case has brought to light the foulness of the South Korean puppets who regard falsehood and deception, fraudulence and swindle as a mode of existence. It is their customary practice to produce sham articles and sell them by trademark piracy.

The South Korean puppets, contacting the "Puma" company of West Germany from long ago, spied out its production and technical processes by base means and imitated it in sportswear production. And they affixed the trademark "Puma," which has high competitive power, on the sportswear of bad quality they made at low production cost and sold them to Hungarian firms. The South Korean puppets made a comfortable profit with the sham products at the expense of the sportswear production cooperative of Hungary which suffered a heavy loss and this caused discord and friction between Hungarian and West German companies.

When it was disclosed that Hungary imported the sham "Puma" sportswear of South Korea, West Germany took sanctions against the Hungarian production cooperative which was deceived by the South Korean puppets. The "Fer" and "Intertrial" companies of West Germany which had financed the Hungarian production cooperative scrapped its contract and indefinitely put off the opening of a sportswear shop which had been promised to Hungary. The Hungarian police searched some 80 shops and seized about 6,000 pieces of South Korean sportswear with false trademark "Puma."

Misbehaviour eventually catches up with one, says the paper.

Media Assail Bush Declaration on War Anniversary

Remarks Justify U.S. 'War'

SK2706154090 Pyongyang Domestic Service in Korean 1150 GMT 27 Jun 90

[Commentary by station commentator Kim Ho-sam: "A Brazen-faced Monologue To Justify War Crimes"]

[Text] U.S. President Bush issued a so-called declaration on the 40th anniversary of the outbreak of the Korean war.

In the declaration, Bush, preposterously distorting the historical truth about the outbreak of the Korean war and its results, clamored that 40 years ago, young American men and women joined the United Nations forces to deter what is described as a communist aggression in response to a call for the defense of freedom, that the United States had fought in order to keep the world from being drawn into another war, and that the United States had triumphed in the war. He even went so far as to describe it as a victory for all those who value freedom and self-determination.

Indeed, this can be said to be the epitome of preposterousness. There is a saying: Lunatics and fools see things only through their frame of mind. The caudillos of the U.S. imperialists who embellish their crimes of having triggered a war of aggression and who even bragged about them rather than repent for them are a case in point.

The truth is exactly the opposite of what Bush described in his declaration. It is widely known that it was none other than the U.S. imperialists who instigated the puppets to trigger a brigandish war of aggression with a view toward swallowing our newly-founded Republic in the bud and to strangle our people's freedom and independence and who sent to war not just the U.S. imperialist troops of aggression, but also the mercenaries from 15 vassal countries, making a fraudulent use of the name of the United Nations.

It is also a widely recognized fact that although the U.S. imperialists tried to trigger a third world war by using the Korean war as a fuse, they saw their attempt frustrated in the face of our people's heroic struggle, suffered a shameful defeat for the first time in their history, and have been on a downhill course ever since. Bush's mentioning of freedom and self-determination is in itself a brazen-faced act akin to advertising that he has done both the murderers and robbers and their victims a favor alike.

If their act of having turned peaceful cities and rural villages into heaps of ashes by employing the cruelest and most brutal ways of conducting war, unprecedented in any history, and their indiscriminate slaughtering of innocent people were for the defense of freedom, what is it other than freedom for aggression and freedom for slaughtering? Even today, decades after the end of war, which Bush has described as a war for freedom and self-determination, the harshest fascist military colonial rule continues in South Korea, running counter to the trends of the times toward sovereignty, independence, and democracy. Such being the stark reality, the freedom and self- determination that the U.S. imperialists babble about are nothing but another name for oppression and subordination.

Bush's sophistry, designed to justify the U.S. imperialists' criminal aggression and war, will convince no one. Instead, it will only lay bare their brazen-faced colors as the imperialist brigands. The question arises as to why Bush praised their war crimes by going so far as to issue even a declaration on the occasion of the 40th anniversary of a war provoked to invade Korea. Needless to say, it was to justify their aggressive policy toward Korea which they still continue today and to fan war fever by justifying their past crimes.

The situation becomes clearer when this is viewed in relation with the fact that the U.S. imperialists, challenging our consistent peaceful efforts, have made the situation on the Korean peninsula extremely tense, while turning South Korea into a powder magazine, and the situation is becoming more dangerous with each passing day.

In his declaration, Bush declared 25 June as a day to remember the Korean war and asked for flags to be hung at half-mast. He also announced a monument soon will be erected in Washington to pay respect to those who took part in the Korean war. All this proceeds from such a private design. Facts prove the U.S. imperialists' aggressive nature remains unchanged as in the past, and that they have completely forgotten the historic lesson. Those who thoughtlessly run riot forgetting the lesson taught by history are bound, without fail, to face harsher punishment and shameful peril. If the U.S. imperialists, forgetting the lesson taught by the tragic defeat they suffered in the past Korean war, keep taking the road of aggression and war, they will meet a tragic end that will make their regret, if ever they have one, over their act useless.

Called 'Forgery of History'

SK2806054890 Pyongyang KCNA in English 0528 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—U.S. President George Bush, in his "proclamation" on the 40th anniversary of the start of the Korean war by the U.S. imperialists, babbled that the U.S. Armed Forces were asked to "make a stand for freedom" and they fought on the Korean front to stop somebody's "aggression."

Branding this outburst of Bush as an unbearable insult to our people, a mockery of human conscience that loves justice and peace and a crude forgery of history, NODONG SINMUN says in a signed commentary today:

The Korean war unleashed by the U.S. imperialists on June 25, 1950, was by no means a war to "make a stand for freedom" or to stop someone's "aggression" but, in every respect, was a most heinous war of aggression. After lighting the train of war in Korea under a prearranged plan they disguised it with the United Nations flag and swooped down on our Republic by forming an "anti-communist crusade" with mercenaries of their allies and satellite countries. It was their ulterior intention to destroy our first born Republic in its cradle, reduce our people again to colonial slaves and, furthermore, provoke another world war and thereby to stamp out the socialist forces and gratify their wild ambition for world domination.

Their war of aggression on Korea was an unpardonable criminal action which wrecked peace in Korea and the rest of Asia and threatened world peace, and a brigandish act of trampling upon the Korean people's national sovereignty, freedom and happiness, and a downright challenge to human conscience and justice. Bush's talk about "making a stand for freedom" and "stopping aggression" of somebody is a despicable attempt to conceal their criminal act in unleashing the war of aggression on Korea and lay the blame for it at other's door.

During the Korean war the U.S. imperialists committed shuddering massacres of guiltless Korean people, such as shooting and stabbing them to death, driving tanks over them and flogging them to death, and reduced to ashes and ruins our towns and villages where a comfortable life had once prevailed. Did they mean by it to "make a stand for freedom"? In the final analysis, "freedom" on Bush's lips is one intended to make a sacrifice of others, freely commit human butchery, lay other's territory [to] waste, violate the independence and sovereignty of other nations and bring them under their control.

For all their attempts to justify their war of aggression on Korea with the UN flag, and for all their brutalities during the three-year war, the U.S. imperialists could not help falling on their knees before the Korean people who rose and fought heroically in the righteous fatherland liberation war for their independence and freedom. However, they still harbour the aggressive designs on our Republic, failing to draw a proper lesson from the ignominious defeat they suffered in the Korean war.

This is well illustrated by the fact that Bush proclaimed the day of June 25 this year "Korean war remembrance day," describing their disgraceful defeat in the Korean war as a "victory for those who cherish liberty," and announced that a "monument" will be raised in Washington in "respect and recognition" of the murderers who served in the war of aggression on Korea. By doing so they are trying to whitewash and justify their criminal acts of aggression of the past and new war provocation moves at present and thereby ignite the fuse of another war in Korea at any cost by driving out cannon-fodder again under the pretext of "making a stand for freedom."

However, they are making a miscalculation. It is long ago that history branded U.S. imperialism as the provocateur of the Korean war. Bush's forgery of history will only reveal with increasing clarity the brazen, crafty and despicable nature of U.S. imperialism the aggressor. If the U.S. imperialists start another war against our people under the pretext of "making a stand for peace," they would be burnt to death in the flames they kindled themselves.

U.S. 'Aerial Espionage' Along MDL Reported

SK2706160490 Pyongyang KCNA in English 1530 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—The U.S. imperialist aggressors brought an E-3 early warning plane from the Okinawa base into the sky above South Korea around 9:58 June 26 and let it fly from the West Sea to the East Sea along the military demarcation line (MDL) for an electronic espionage on the objects in the strategic depth and the sky of the northern half of Korea, according to military sources.

They also let a U-2 high-altitude strategic reconnaissance plane shuttle between East and West along the MDL between 8:07 and 15:59 on the same day for an aerial espionage on the major objects in the depth and wide areas of the Northern half up to 240 kilometres from the MDL. They also let RV-1, RC-12, RF-4, EH-60 and other reconnaissance planes shuttle along the MDL almost every day for premeditated aerial espionage on the major objects in the frontline area of our side. The cases of aerial espionage by U.S. imperialists' reconnaissance planes in the first 26 days of this month numbered 170.

U.S. Plan To Station New Ship in Japan Viewed

SK2806104890 Pyongyang KCNA in English 1031 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—The U.S. imperialists plan to station the carrier-type ship "Peleliu" carrying many helicopters and landing boats at the Sasebo base in Japan in 1995, according to a report from Tokyo.

It will be the first time that the ship will be based in Asia, and this is aimed at realising the undisguised aggressive design of the U.S. imperialists on the northern half of Korea.

The U.S. imperialists think that if this ship is stationed at Sasebo close to South Korea, they might complete an immediate dispatch of the U.S. troops to South Korea in a period two weeks shorter than the dispatch of armed forces from the U.S. mainland in "case of emergency" and would have very favorable conditions for its use.

Reporting this fact, the Japanese ASAHI SHIMBUN said that the stationing of "Peleliu" may be a measure aimed at the Korean peninsula where the future situation is apprehensible. The fact shows that the U.S. imperialists are stepping up the aggressive arms buildup behind the scene while circulating the deceptive "arms cutback rumors."

KCNA Decries RisCassi's 'Bellicose' Comments

SK2806052690 Pyongyang KCNA in English 0444 GMT 28 Jun 90

["Outburst of Warmonger"—KCNA Headline]

[Text] Pyongyang June 28 (KCNA)—A ceremony for the replacement of the commander of the U.S. imperialist aggression forces in South Korea with a new one was held at the command of the U.S. imperialist aggression forces in Yongsan, Seoul, on June 26, according to a report.

In his "inauguration address" RisCassi replacing Menetrey as commander of the U.S. imperialist aggression forces said that the task of the U.S. forces is to achieve "peace on the Korean peninsula" and "smash the attack" from somebody and added that his duty is to "maintain and develop the military posture" against somebody's "aggression." This revealed the sinister intention of the U.S. imperialists to justify and perpetuate the U.S. troops' occupation of South Korea under the pretext of "peace," reinforce and modernize the aggression forces and, furthermore, step up war preparations as they did 40 years ago when they ignited the Korean war.

As is known to the world people, we have declared more than once that we have no intention to invade the South. Our supreme objective is peace and peaceful reunification of Korea. Recently we put forward a new disarmament proposal with a view to easing the tension on the Korean peninsula and creating a peaceful climate for national reunification. RisCassi's bellicose outburst against the North shows that the aggressive design of the United States on Korea has no limit and they are running riot to conquer the northern half of Korea and make it their colony.

DPRK Embassy Holds News Conference in Moscow

SK2706111990 Pyongyang Domestic Service in Korean 2100 GMT 23 Jun 90

[Text] On the 40th anniversary of the U.S. imperialist provocation the Korean war, a news conference was held 21 June at our country's embassy in the Soviet Union. Respectfully placed in the forefront of the news conference site was a portrait of the great leader Comrade Kim Il-song. Reporters from Soviet newspapers, news agencies, broadcasting stations, and magazines attended the news conference. At the news conference, Kim Hui-su, charge d'affairs ad interim of our country to the Soviet Union, made a statement and then responded to reporters' questions.

Light Industry Delegation Departs for USSR

SK2706110990 Pyongyang KCNA in English 1101 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—A light-industrial delegation of Korea led by vice-chairman Yi Kil-tu of the Commission of Light Industry left here today for the Soviet Union. It was seen off at the airport by Vice-Chairman An Song-pae of the Commission of Light Industry.

FRG Bundestag Committee Group Arrives on Visit

SK2806104990 Pyongyang KCNA in English 1036 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—Chairman of the Committee on Foreign Affairs of the Bundestag of the Federal Republic of Germany Hans Sterhken and his party arrived here today. They were met at Pyongyang railway station by Vice-Chairman of the Foreign Affairs Committee of the Supreme People's Assembly Chong Chun-ki and other officials concerned.

Yon Hyong-muk Greets Romanian Prime Minister

SK2706112190 Pyongyang Domestic Service in Korean 1300 GMT 23 Jun 90

[Text] Comrade Yon Hyong-muk, premier of the State Administration Council, sent a congratulatory message to Romanian Prime Minister Petre Roman. Extending warm congratulations to him on his appointment as prime minister of the Romanian Government the congratulatory message expressed the hope that friendly and cooperative relations between the two countries will be strengthened and developed.

Vietnam Party Adviser Supports Korean People

SK2806051890 Pyongyang KCNA in English 0442 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—The Vietnamese people will actively support and encourage with every possible effort the great revolutionary cause of the Korean people, declared Pham Van Dong, advisor to the Central Committee of the Communist Party of Vietnam, when he met a delegation of the international department of the Central Committee of the Workers' Party of Korea led by Vice-Director Kim Yang-kon on June 21. Pham Van Dong wished the Korean people to build their country to be a richer country and achieve the independent and peaceful reunification of the country under the wise leadership of respected Comrade Kim Il-song.

Officials Attend Mourning at Iranian Embassy

SK2706110890 Pyongyang KCNA in English 1057 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—The Central People's Committee and the Administration Council of the Democratic People's Republic of Korea, commissions and ministries of the Administration Council and social organisations today called at the Iranian Embassy here and expressed condolences over the heavy losses in human lives caused by an earthquake in Iran.

Present at the mourning were Yi Chong-ok, vice-president; Kim Tal-hyon, vice-premier and chairman of the External Economy Commission; Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly; Chong Song-nam, minister of external economic affairs; Chong Ha-chol, chairman of the Korea-Iran Friendship Association; Cha Pong-chu, vice-minister of foreign affairs; Yi Song-ho, acting chairman of the Central Committee of the Red Cross Society; and other officials concerned. The mourners laid a wreath in joint name of the Central People's Committee and the Administration Council and wreaths in the names of the Ministry of Foreign Affairs, the External Economy Commission and Central Committee of the Red Cross Society and observed a moment silence in memory of the deceased. Diplomatic envoys of different countries in Korea also visited the Iranian Embassy today and expressed condolences.

Newspaper on 'Incurable Disease of Imperialism'

SK2706110290 Pyongyang KCNA in English 1050 GMT 27 Jun 90

["Socialist System Is the Only Remedy to Incurable Disease of Imperialism"—KCNA headline]

[Text] Pyongyang June 27 (KCNA)—The incurable disease of imperialism can never be eliminated as long as it remains imperialism. It has neither prescription nor medicine to cure this disease. It can be remedied only when a socialist system is established under which the popular masses are the masters of the state and the society and their own destinies and a genuinely popular politics is in force. NODONG SINMUN today says this in a signed article entitled "Imperialism Suffering from Incurable Disease". The imperialists are noisily propagandizing the "progress" and "development" of capitalism with the advertisement of so-called "freedom," "human rights", "democracy" and so forth. What they seek in this is to tarnish the image of socialism and create illusion about capitalism, the paper says, and continues:

Outwardly, imperialist countries seem to be prosperous. But, in fact, they are festering and decaying inside owing to the antagonisms which are growing acute with each passing day. The incurable disease of imperialism finds concentric manifestation in the incompatible contradictions and confrontation daily growing sharper between the reactionary ruling circles and people, in such serious economic and financial crises as decline and stagnation of production, rise in prices and inflation and in all descriptions of immorality and depravity and social evils which become more prevalent. Such incurable disease is an offspring of the capitalist system under which money rules everything and the state power is in the hand of a tiny group of the exploiter class and a product of the anti-popular, reactionary rule of the imperialists. Imperialism is writhing in such incurable disease, sinking deeper into a hopeless pit of destruction.

Pointing out that the political crisis is becoming all the more serious in the imperialist countries and imperialists are undergoing an acute pain, the paper stresses: "Economy writhing in a paralysis"—this is the capitalist market economy, the "superiority" of which the imperialists are advertising.

The capitalist countries are not only suffering from a pain politically and are hard pressed economically, but also are lacerated all over socially, infected with all kinds of diseases, the paper says, adding: The future of mankind can never belong to imperialism which deters the realisation of chajusong of the popular masses, the subject of history, and it is an immutable law of history that imperialism goes to ruin and socialism triumphs.

Newspaper on 'Unshakable' Faith in Socialism

SK2706105090 Pyongyang KCNA in English 1036 GMT 27 Jun 90

["Our People's Faith and Pride in Our Socialism"—KCNA headline]

[Text] Pyongyang June 27 (KCNA)—As long as there are the great chuche idea, the people who have established chuche and the chuche-based socialist system, our socialism is invincible and the faith and pride of our people are everlasting, stresses NODONG SINMUN today in a signed article captioned "Faith and Pride in Our Socialism is Unshakable Thought and Will of Our People". The article tells how unshakable are the faith and pride in our socialism and where is their fundamental source. Socialism in our country is the invincible cause which gives unbounded pride and conviction of the future to the people.

The great leader Comrade Kim Il-song has taught: "The greatness of the chuche idea, the guiding ideology of our party, the invincibility of our people who have established chuche, and the advantages of our socialist system which is the embodiment of the chuche idea—these are the summary of our people's struggle for socialism, and it is precisely in them that our people take great pride and it is precisely from them that they derive their confidence in a brighter future."

It is from the struggle for socialism that the people of our times should derive confidence and pride. It is the immutable law of history that socialism is sure to triumph, though it may temporarily undergo turns and twists and trials and imperialism is bound to go to ruin, though it seems to revive for a time. Our faith and pride in our socialism lie in having the great chuche idea, the article says, and goes on: It is the main source of the pride in our socialism to have the people who are firmly armed with the chuche idea.

Our faith and pride in our socialism also lie in that the most superior socialist system, the embodiment of the chuche idea, has been established. The uniqueness and advantages of our socialism lies in the creditable embodiment of the people's independent, creative and collective demand. Chajusong of working masses has been satisfactorily realised in all aspects of political, economic, ideological and cultural life in our country. In our country everyone is substantially provided with necessary conditions regarding job, food, clothing and housing by the state and society and enjoys richer, cultured life as socialist construction makes progress and the material wealth of society increases.

The solidity and superiority of our socialism lie in the single-hearted unity of the leader, the party and masses which form socio-political organism. Our cause of socialism will certainly emerge victorious under any circumstances as the entire people have become the strong independent subject of the revolution, united around the leader as firm as a rock, and defend our socialism and add lustre to it. The Korean people's struggle for socialism has a history spanning over 60 years and this protracted and glorious history is precisely the history of the wise leadership of the great leader Comrade Kim Il-song and the seasoned guidance of our party. The article continues: The greatness of his leadership lies in that he founded the chuche-based theory of socialism and achieved the unanimity of revolutionary theory and practice.

The great leader Comrade Kim Il-song's policy speech "Let Us Bring the Advantages of Socialism in Our

Country Into Full Play" is an inspiring banner which demonstrates the truth and validity of the chuche idea, imbues people with the conviction of sure victory of socialism and increases its influence. Many works of dear Comrade Kim Chong-il including "Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti-Imperialist Struggle" are the precious classical works which developed and enriched the theory of socialism to meet the requirements of the present era.

These are living textbooks which help view the main features of socialism and imperialism and their fundamental differences from a revolutionary stand and advance with confidence towards the victorious road of socialism, and sledge hammers on the imperialists who are bluffing for their "supremacy".

In conclusion the article stresses: The conviction that our ideology, people and system are the best and the party and the leader who established it are the greatest—this is the noble ideological feelings cherished deep in the hearts of the Korean people and an unchangeable crystal of the idea and will which nothing can break.

Although severer trials than those in the past may come with the flow of the times, we will never renounce this conviction and will live and struggle as dictated by our own faith. This is the pledge made by the Workers' Party of Korea before the times and mankind and the single-hearted loyalty carried forward by the Korean people generation after generation.

Sungri Motor Works Increases Truck Production

SK2706104090 Pyongyang KCNA in English 1032 GMT 27 Jun 90

[Text] Pyongyang June 27 (KCNA)—The Sungri General Motor Works of Korea is increasing the production of lorries. In May, the works produced 1.5 times as many lorries as were manufactured in April. This month sees a 30 percent increase above the previous month. This means that the half monthly production in June is double the figure of the comparable period last year.

The motor works has set itself the goal of producing 2,500 more heavy-duty lorries than planned this year. To this end, the casting shop introduced an automatic line, increasing productivity ten times while cutting the work-force by a half. Innovations have also been reported from the sheet metal processing shop and the engine sub-factory. Thus, the works has more than doubled the production of accessories of about 1,000 kinds such as the engine frame, crank and distributive axle as against the same period last year.

Daily Newspaper on Chuche Outlook on Labor

SK1706090690 Pyongyang KCNA in English 0839 GMT 17 Jun 90

[Text] Pyongyang June 17 (KCNA)—NODONG SINMUN today comes out with a signed article titled "Establishing Chuche Outlook on Labour Is Important Guarantee for the Acceleration of Socialist Construction".

Dear Comrade Kim Chong-il in his work "On Further Improving and Strengthening Labour Administration" gives a profound exposition of the essence of the chuche outlook on labour and, on this basis, gives comprehensive answers to the questions of establishing the chuche outlook on labour and building a revolutionary way of work among the working people, the article says.

It quotes dear Comrade Kim Chong-il as saying:

"What is most important in imbuing the whole society with the revolutionary way of work is to establish the chuche outlook on labour among the working people."

The revolutionary way of work is a sincere manner of devotedly working for the society and the collective and observing the socialist working rules and order with consciousness befitting the master of the production and construction. In a word, it is a collective and voluntary way of work.

Only when the whole society is replete with the revolutionary way of work, is it possible to give full play to the vitality of the party's revolutionary and popular policy of work so as to revolutionize the working people and assimilate them to the working class, push ahead with economic construction and successfully build socialism and communism.

To establish the chuche outlook on labour is most crucial in building the revolutionary way of work, the article notes, and continues:

This is because the working style of the people stems from the outlook on and attitude towards labour.

All the actions of the people are guided by their ideological consciousness. So their working activity and their manner of work are decided by their outlook on and attitude towards labour.

Anyone who has a viewpoint and attitude putting main stress on the demand and interests of the society and collective in approaching labor as its master works devotedly for the society and collective and displays an honest work style that abides by all the rules and order with the consciousness befitting the master in production and construction.

This is also because the chuche outlook on labour guarantees the establishment of conscious and collective trait of working life.

The reason why the chuche outlook on labour guarantees the establishment of a trait of revolutionary working life in the whole society is that it engenders a working style of consciously approaching labour and a working style of devotedly serving the society and collective, being a viewpoint on labour approaching it as its master.

It is of great importance in stepping up socialist construction to establish the trait of revolutionary working life among the working people by equipping them with the chuche outlook on labour.

It also helps accelerate the revolutionization and working-classisation of people.

The chuche outlook on labour makes them have the trait of communist humanity of devoting one's all to the work for the demand and interests of society and the collective as masters of labour and finding here the worth and happiness of a true life from it. Those who have such a trait are those who have an outlook on labour combined with collectivist outlook on life and revolutionized and working-classized communist revolutionary of chuche-type.

To establish a trait of revolutionary working life through the formation of an outlook on labor also dynamically propels the work of laying material and technical foundations of socialism.

By firmly establishing the collectivist viewpoint of labour and conscious attitude of labour among people, the chuche outlook on labour guides people fully display mass heroism by devoting all their wisdom and zeal in the creative labour for economic construction.

Yon Hyong-muk Addresses Light Industry Meeting

SK2406050090 Pyongyang Domestic Service in Korean 1230 GMT 2 Jun 90

[Speech by Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Worker's Party of Korea and premier of the State Administration Council, at the National Light-Industrial Conference held in Pyongyang on 2 June—recorded]

[Text] Comrades, today we are celebrating a great festival in which we respectfully elected the great leader of our party and our people Comrade Kim Il-song the president of the DPRK, and the entire nation is seething with the atmosphere of political upsurge. All of the people are vigorously accelerating the new grand march of the nineties by cherishing a great national pride. Under these solemn circumstances, we are holding the National Light-Industrial Conference.

The historic first session of the Ninth Supreme People's Assembly [SPA] respectfully elected as president of the DPRK the great leader Comrade Kim Il-song, who embarked on the revolutionary road during the early days and made immortal achievements before the times and the revolution while dedicating his whole life to the fatherland and the people. Thus, it showed our people's absolute support for and trust in the great leader, as well as our people's iron-clad will to accomplish to the end the chuche revolutionary cause by following the leadership of the respected leader and the party. It also again highly demonstrated the indomitable might of our revolutionary ranks, who are firmly rallied behind the party and the leader, and the indestructible authority and dignity of our Republic. [applause]

In his historic policy speech at the first session of the Ninth SPA, the great leader Comrade Kim Il-song illuminated the path for the struggle to accomplish the complete victory of socialism, the national reunification and the cause of independence of the entire world. Thus, he more vigorously inspired our people to the grand march of the nineties to occupy the new high summits of socialism and to victoriously advance the chuche revolutionary cause. [applause]

Dear leader [chinae hanun chidoja] Comrade Kim Chong-il, attaching great importance to the current National Light-Industrial Conference, sent a letter to the participants on the first day of the meeting, thus again illuminating the path for the development of light industry. [applause]

The letter of dear leader Comrade Kim Chong-il sent to the conference participants is a programmatic document that illuminated the path for the light-industrial revolution to effect a great turning point in the production of mass consumption goods. It is a new hopeful milestone to enhance our people's material and cultural life onto a high level in compliance with the demand of socialism, and is a militant banner to more vigorously inspire the working class of the light-industrial sector and all workers across the country to fulfill the party's policy for light-industrial revolution. [applause]

All participants in the conference, having received the dear comrade leader's letter with great excitement, are overflowing with deep emotion and boundless joy. They are filled with the passion of loyalty to more vigorously fight by following the leadership of the party and the leader and cherishing new confidence. [applause]

The current National Light-Industrial Conference will discuss the task of effecting a new turning point in the production of mass consumption goods by inspiring the workers of the light industry sector and all workers of the relevant domains, upholding the banner of the light-industrial revolution put forward by our party. The conference will also discuss tasks of struggle to successfully occupy the new high summits of socialism by vigorously accelerating the grand march of the nineties.

The current conference, held amid the great interest and expectations of all the people across the country, will be an important occasion for successfully implementing the tasks of the light-industrial revolution put forward by our party by effecting a great innovation in the light-industrial sector, upholding the revolutionary banner of self-reliance according to the party's appeal, for upgrading the people's living standard onto a higher stage, and for victoriously advancing the chuche revolutionary cause. [applause]

Comrades, the light industry of our country constantly developed by the chuche-oriented policy of our party for implementation of light industry and by the devoted labor struggle of all workers of the light industry sector to carry out this policy.

The great leader Comrade Kim Il-song has taught: Today in our country, we are able to meet the demand of the people with goods produced by ourselves and have provided the firm foundation to produce more and a greater variety of consumption goods of good quality in the future.

Our party, which sets forth the steady promotion of the people's well-being as the supreme principle governing its activities and the noblest duty of communists, has directed great efforts to the rapid development of light industry in each period and at each stage of the revolution and construction, attaching weighty importance to the production of mass consumption goods.

Early in the period of anti-Japanese revolutionary struggle, the great leader Comrade Kim Il-song put forward an independent economic construction program to build an independent national economy on the liberated fatherland and to enable our people to enjoy a free and rich life by developing the abundant resources of the nation with our own strength. [applause]

To stabilize and promote the people's living standard at an early date, which was indescribably ruined under the rule of the Japanese imperialists, and to provide the independent economic foundation in our country after the nation's liberation, the great leader Comrade Kim Il-song directed great interest to the production of mass consumption goods from the first days of building a new society. He put it forward as an important work for building the self-reliant national economy to develop the light industry, and wisely led the struggle to implement this work. [applause]

Keenly realizing the nation's situation immediately after the national liberation, in which we could not even produce a pencil by ourselves, the respected leader put forward the issue of producing pencils as the first agenda item for the first conference of the provisional North Korean People's Committee. Thus, he saw to it that the development of light industry in our country began by solving the problem of producing pencils.

The respected leader Comrade Kim Il-song stressed that he who has power should offer power, he who has knowledge should offer knowledge, and he who has money should offer money to contribute to building the new fatherland, and that everyone should rise across the country to produce a large quantity of mass consumption goods. He vigorously led the people so our own light-industrial foundation could be realized.

Thanks to the wise leadership of the great leader Comrade Kim Il-song, the Pyongyang textile complex was built even under the difficult circumstances after the liberation of the country; thus a new history of building modern textile industry opened. In addition, numerous small and medium-size light-industrial plants were built, and cooperative unions for the production of daily necessities and joint production cooperatives were organized and operated throughout the country. As a result, the people's living standard was enhanced and a new happy life for the people bloomed on the soil of the liberated fatherland. [applause]

Even at a time when he personally commanded fierce battles by bearing all burdens of war during the arduous fatherland liberation war, the great leader Comrade Kim Il-song energetically led the people so the light-industrial sector, together with the rural economic sector, smoothly ensured wartime production for the stability of the people's life and victory in the frontline.

Under the great leader Comrade Kim Il-song's wise leadership, all workers of the light-industrial sector reorganized the production of mass consumption goods into conditions corresponding to wartime and waged the organic struggle for war production even amid the enemy's continued barbarous bombing and firing. Thus they made great contributions to the victory of the fatherland liberation war by meeting the demand for consumption goods in the frontline, together with the people in the rear. [applause]

The light industry in our country comprehensively and rapidly developed in the midst of the solemn struggle for rehabilitation and the development of the postwar national economy and for socialist construction.

During the difficult postwar days when everything was destroyed and reduced to ashes, the great leader Comrade Kim Il-song restored the destroyed economy by leading our people, who were disciplined amid the flames of war and were firmly rallied behind the party, and by inspiring their strength. He laid the foundation for the self-reliant national economy. Thus he wisely organized and led the complex, difficult struggle to jointly resolve the problems on people's living.

Based on his deep insight into the practical demands in the postwar reconstruction and into prospects for the socialist construction, the great leader Comrade Kim Il-song advanced a basic line for economic construction on the joint development of light industry and agriculture, while guaranteeing the growth of heavy industry on a priority basis immediately after the armistice. At the same time, he saw to it heavy industry was built to effectively serve the development of the light industry and rural economy, and not merely for the sake of heavy industry itself.

Our party's basic economic construction line on developing both light industry and agriculture while giving priority to the development of heavy industry was the wisest, unique line which correctly reflected the inevitability of socialist economic construction and the reality of our country, which accorded with the basic interests of our revolution and made it possible to rapidly realize the urgent demands of the people. [applause]

Our working class and the working people, who, always accepting the party's line and policy as their vital demands, rose up in the struggle to implement them, jumping into fire and water, resolutely defended our party's basic economic construction line in defiance of all sorts of slander, vilification, and obstruction by factionalists and flunkeyists. Thus, they not only built heavy industry plants on a large scale, but also built light industry plants everywhere in the country by tightening their belts and sparingly using even pennies. As a result, the Pyongyang textile complex, which had been completely destroyed by the Korean war, was rebuilt, and the Kusong textile plant was newly built and expanded. Besides these plants, many other textile, foodstuffs, footware, and daily necessities plants were newly built. Thus, the basic foundation of light industry was established in a short period. As a result, already in the period of the postwar three-year plan, the proud success of surpassing by far the prewar level in the production of people's consumer goods was achieved. [applause]

Amid the great march of chollima, our party led light industry to a new great leap and upsurge. By vigorously waging the chollima movement, upholding the spirit of the historic plenary session of the party Central Committee in December 1956 and the party's revolutionary slogan, "Let us dash forward with the spirit of chollima," the working class and the working people in the light industry sector effected a great innovation in the struggle to develop light industry. [applause]

Amid the great march of chollima, the ranks of multiple-machine weavers were increased, numerous forerunners for communist human reforms and collectivist innovation emerged, and all of the working people in the textile, foodstuffs, and daily necessities industrial sectors effected innovations and created miracles while smashing passivism, conservatism, and technological mysticism. As a result, our light industry was developed in a unprecedentedly rapid speed. With the plenary session of the party Central Committee in June 1958 as an occasion, the great leader Comrade Kim Il-song led the development of large-scale central light industry and small and medium scale local light industry. This was a wise measure not only to effect a new upsurge in the production of people's consumer goods, but also to further enhance the great upsurge of chollima. [applause]

Upholding the decision of the plenary session of the party Central Committee in June 1958 and unstintedly mobilizing and utilizing all reserves and potentials available in localities, all of the working people across the country vigorously waged the struggle to build local light industry plants as an all-massive movement. As a result, they created the miracle of building more than 1,000 local light industry plants only for three to four months and of increasing the number of local light industry plants to more than 2,000 for one year or so. [applause]

Local light industry plants, which were built everywhere in the country for a short period of time, epochally increased the production of the people's consumer goods and thus played great roles in meeting the people's demand for consumer goods and in improving the people's livelihood. Through the struggle to develop local industry, the ranks of socialist construction workers were expanded, and our revolutionary forces were further strengthened.

As many new local industry plants were built, the dependents of workers and office workers and many other people came to join the ranks of the working class. In particular, as numerous women participated in social labor activities, not only did the income per household of the people increase, but the revolutionization and the working classification of women were also accelerated.

With the rapid development of the local industry, the role of the county as the supply base in rural areas increased, and the economic ties between urban and rural areas and between industries and agriculture were further strengthened. Indeed, the rapid and epochal development of the local industry enhanced the initiative and self-reliance of localities and apochally improved the people's livelihood, and resulted in further accelerating the overall socialist construction of the country. [applause]

The great leader Comrade Kim Il-song constantly visited all rural areas of the country to give on-the-spot guidance there. During the on-the-spot guidance, the great leader saw to it that the people developed local industry by utilizing the mountains where there were mountains and by utilizing the sea where there was sea. Thus, he wisely led the people so they developed local industry in conformity with the situation of their counties and, thus, improved their livelihood.

The great leader Comrade Kim Il-song personally created a fine example of the local economy, that is to say, a model of the local industry, in Changsong, Sakju, and Pyoktong, which had been known as remote and isolated mountain areas where nonhabitants could not live, and convened a joint meeting of local party and economic functionaries in Changsong in August 1962. At the meeting he saw to it the model was generalized among rural people.

Upholding the spirit of the historic joint meeting of local party and economic functionaries in Changsong, all functionaries and the working people not only came to have the faith that only when they work as directed by the party can they build local industry even in remote and isolated mountain areas and, thus, promote the standard of their living, but were also able to effect a new innovation in developing local light industry.

With the Changsong joint meeting as an occasion, the struggle for mobilizing locally available resources and raw materials to the maximum and for creating local raw material bases was vigorously waged in every city and county. Many new local industry plants were built, the technological foundation of local industry was further deepened and strengthened, and the technological and skill level of functionaries and the working people and their enterprise management and operation level were enhanced by far. Thus, our local industry could highly display its might as the important base for the production of people's consumer goods, which met the local demands by mobilizing and utilizing local raw material resources and idle labor efforts. These proud successes attained in the development of local industry were a brilliant victory of the wise leadership of our party which, setting forth a unique method of developing a large-scale central light industry in parallel with local industry of small and medium scale in the production of people's consumer goods, solved the question of people's consumer goods in conformity with our own situation and in our own way. [applause]

As the historic task of socialist industrialization was fulfilled successfully, as our country entered a new stage of technological development, and, consequently, as the standard of the people's living was rapidly promoted, our party continued to further develop light industry. In a bid to effect a new innovation in the light industry sector in conformity with the demands of the higher stage of socialist construction in our country and, particularly, to successfully fulfill the task of the technological revolution for liberating women from their household burdens, our party saw to it the food processing industry was rapidly developed, that various kinds of kitchen utensils were produced on a large scale, and that textile and clothing industries were further developed.

On the strength of our party's active measures, large-scale corn processing plants were built in provinces and many modern foodstuffs plants, including the Pyongyang wheat flour processing plant, the Pyongyang children's foodstuffs plant, and the Pungchon fruit processing plant, were newly built. Besides these plants, the September textile plant; the Sariwon textile plant; the Mangyongdae, Kangso, Sinuiju, Sariwon, Haeju, Hamhung, and Kaesong knitting plants; the Pyongyang vinyl chloride footware plant; the Pyongsong synthetic leather plant; the Pyongsong rubber string plant; and many other modern textile plants, footware plants, and daily necessities plants were newly built.

Our light industry base was further expanded and lifted on a new technological foundation. With the building of various chemical industries, including the chuche-oriented chemical fiber industry and the synthetic resin industry, our light industry was rapidly developed on the basis of its own raw material base. The development of light industry was more vigorously accelerated in the grand construction battle of the eighties to fulfill the 10 major prospective targets of great socialist construction set forth by the Sixth Party Congress. Our party advanced the policy of carrying out the revolution in light industry in a bid to implement the grand socialist economic construction program set forth by the Sixth Party Congress and, thus, to epochally increase the standard of the people's living and wisely led the struggle to implement the policy. [applause]

The policy of carrying out the revolution in light industry set forth by our party is a revolutionary policy to promote the standard of the people's living in conformity with the demands of socialism by effecting a turn in the production of people's consumer goods, to lead our people to enjoy an independent and creative life, to extensively enhance the superiority of the socialist system of our country, and to expedite the complete victory of socialism. [applause]

Our party not only elucidated in detail all tasks of occupying the target of cloth set forth by the Sixth Party Congress, carrying out the the revolution in the production of foodstuffs and footware, rapidly developing daily necessities industry, and, thus, effecting a new turn in the production of consumer goods, but also took various measures to vigorously carry out the revolution in light industry. Our party convened the seventh plenary session of the sixth party Central Committee and 16th plenary session of the sixth party Central Committee and vigorously inspired the entire party and all of the people into the struggle to occupy the chemical target and the target of 1.5 billion meters of cloth and to implement the party's policy of carrying out the revolution in light industry.

Our party saw to it model plants were built in various sectors of light industry and various samples were provided in the model plants. Thus our party saw to it light-industrial plants reformed themselves technologically and that they vigorously waged the struggle to increase the variety of people's consumer goods and improve their quality. Thanks to the devoted labor struggle of our working class and working people to implement the party's policy of carrying out the revolution in light industry and to create the speed of the eighties, a new great innovation was effected in the light industry sector.

Amid the grand march of the socialist economic construction of the eighties, the construction of light-industrial plants was successfully carried out. And, as a result, numerous modern light-industrial plants, including Anji orlon spinning plant, Kusong textile plant, Konggi spinning workshop, Wonsan beer plant, Samjiyon soft drink plant, and the 6 July pottery plant, have been newly built. More modern textile machines and facilities have been installed in Sariwon textile plant, Hamhung woolen fabric textile plant, Yonpyon silk fabric plant, and many other textile and silk mills, and technological reform work on the existing textile facilities has been also actively pushed ahead.

As a result, the production and technological foundation of the textile industry has been further strengthened, and modern footware production facilities have been equipped in many footware plants, including Pyongyang vinyl chloride footware plant, and the production processes in these plants have been technologically improved. Thus, the level of technological provisions of the footware industry sector has been further improved. The facilities and production processes of the existing foodstuffs plants have been equipped with modern facilities and production processes, and the industrialization of food processing has been already realized. As a result, the production base of new nutritious foodstuffs and sweet persimmons, including various condiments, has been built.

As an effort to smoothly guarantee the people's demands for people's consumer goods, our party has wisely led central industrial enterprises to widely organize daily necessities production workshops and to produce more of various kinds of people's consumer goods. Our party has also seen to it that urban and rural areas and all plants and enterprises vigorously waged the 3 August people's consumer goods production movement as a massive movement. [applause]

That central industrial enterprises actively organize daily necessities production workshops to produce people's consumer goods is a reasonable way that makes it possible to rapidly increase the production of people's consumer goods by effectively utilizing by-products or wastes that come from the production processes in the workshops and by mobilizing the production potentials of the central industrial enterprises. Central industrial enterprises in the various sectors of the national economy, including the machine industry sector, have played great roles in meeting the people's demands for consumer goods by organizing daily necessities workshops and work teams and by vigorously waging the struggle to produce more consumer goods of various kinds there.

In particular, on the strength of the 3 August people's consumer goods production movement, the ranks of home work teams, domestic subsidiary teams, and home service personnel have increased and their production activities have been actively waged. As a result, the production of the 3 August people's consumer goods in the past four years increased three to four times, and their varieties increased to more than 10,000. [applause]

Experience clearly shows the 3 August people's consumer goods production movement of our party is a very effective and powerful massive consumer goods production movement, which rapidly increases the production of various consumer goods, including miscellaneous daily necessities, without the state's investments, by mobilizing and utilizing all kinds of undiscovered reserves and potential and the masses' wisdom and initiative. [applause]

Thanks to the wise leadership of the party and the leader and the devoted struggle of our working people, our country's light industry has made epochal progress in a short period. Our light industry, which started on an empty land after national liberation, not only has completely done away with the backwardness which had been inherited and which we had for a long period, but has been also changed into a chuche-oriented and comprehensive people's consumer goods production base for all sectors of the light industry, including the textile, foodstuffs, and daily necessities industries. [applause]

Today, our country, which was unable to produce even a pencil with its own hands in the past, has come to possess its own mighty light industry base, which makes it possible not only to smoothly ensure the production with its own efforts of all light-industrial products needed in our people's daily life, but also to outstandingly realize the independent demands of the popular masses in their material and cultural lives. [applause]

Our textile industry, equipped as it is with all the necessary sectors, such as chemical, cotton, wool, and silk fibers, and knit textiles, has developed into a mighty production base of cloth that satisfactorily solves the issue of clothing the people based on the raw materials for cloth available in our country.

Our foodstuffs industry has developed into a foodstuffs processing base capable of satisfactorily producing and meeting the people's varied and ever-growing demands for foodstuffs by equipping itself with a processing base of the principal and secondary dietary items, one of confectionary and nutritious foodstuffs for children, of vegetables and fruits, and a production base of soft drinks.

Our daily necessities industry, too, has developed and strengthened into a powerful production base of people's consumer goods capable of producing and supplying a variety of daily necessities to the people, such as housewares, kitchen utensils, home appliances, school supplies, and other miscellaneous things.

With the local industries rapidly developing and local industrial plants reasonably located, cities and counties in our country have now become a general production base of people's consumer goods and a firm supply base for the socialist rural community. These plants, ranging from foodstuffs and textile plants to garment, furniture, steel, and plastic plants, and the soy sauce plants and cooking oil plants, are capable of basically meeting, on its own, local demands for people's consumer goods.

Our country's light industry is a safe, solid production base of people's consumer goods firmly based on domestic resources and raw materials.

Our chemical industry firmly developing based on the nation's rich natural resources, raw materials, and fuels and energy, and the developed socialist rural economy firmly ensure the chuche nature of the light industry and reliably guarantee continuous growth in the production of the people's consumer goods, as well as an improvement in the people's living standard.

Because we have at our disposal a mighty light industry, well-developed in various aspects, based on raw materials available to us and equipped with ever-developing modern technologies, not only can we satisfactorily meet the people's demand for consumer goods by increasing them, but we also can implement a lot better the people-minded policy of the party and state. [applause]

Thanks to our own mighty light industry built by our people under the leadership of our party, our people today not only receive benevolent favors from the state—such as free compulsory education, free medical treatment, and rest and vacations granted at the expense of the state, school uniforms, school supplies, children's clothes and nutritious foodstuffs bought at cheaper prices, and various other forms of great, indescribable benefits under the people-minded policy of the party and state—but also enjoy an endlessly happy life without worrying about anything at all. [applause]

The modern, chuche-oriented light industry built in our country is a proud success that our people have accomplished in the construction of self-reliant national economy under the party's leadership. It is also a brilliant triumph that has provided firm capital for the endless prosperity of our fatherland and for the happiness of our offsprings in the millennia to come. [applause]

This is a product of the political and economic might of our revolution which is growing constantly stronger under the banner of the immortal chuche idea, as well as an expression of the indomitable vitality of our country's most superior socialist system, in which the popular masses are made the masters of everything and everything in society is made to serve the popular masses. [applause]

It is entirely thanks to the wise leadership of the great leader Comrade Kim Il-song, who has devoted himself to building and developing the light industry, that our people have been able to build a mighty light industry on their own within so short a period of time. It is also a noble fruition of our party's energetic guidance. [applause]

Presenting the most correct policy and methods for the development of the light industry at every stage of the revolution, the respected and beloved leader Comrade Kim Il-song has kept moving down the road of great leadership spanning tens of thousands of li's to implement his policy and methods, creating immortal, heart-warming historic relics everywhere he stopped. [applause]

Never minding rain or nasty weather, the great leader would go as far as Sindo island across the rough West Sea to give on-the-spot guidance to the tideland reclamation and reed farming centers, and later had the island turned into a silk island; when Pyongyang was flooded, he made several trips to Pyongyang General Textile Plant across the rough stream in the flooded Taedong River in order to give guidance to those involved in the rehabilitation; and even made himself a list of 206 items of the daily necessities to keep the shelves of shops stocked with goods. [applause]

Our party, which has been brilliantly realizing the respected and beloved leader's lofty intent and far-sighted plan, has not only taken in a timely manner all sorts of necessary measures to rapidly develop light industry so our people can lead a more affluent and civilized life, but also has provided everything needed for the people's living. [applause]

Thanks to our party's energetic guidance, a new turn is being effected in the course of carrying out the revolution in light industry, and this national light-industrial conference, too, has been arranged precisely by the warm care and great considerations of our party. [applause]

In this place, where the significant conference is being held, I extend the utmost glory and the deepest thanks to the great leader Comrade Kim Il-song, who has devoted his whole life to the freedom and happiness of the people and who has wisely led all of us to perform rewarding struggle and exploits for the promotion of the people's welfare, and to the dear Comrade Kim Chong-il, together with infinite reverence and burning loyalty of the working class and all workers in the light industry sector. [applause]

Comrades: Today, we are faced with the honorable task of glorifying the nineties with a new victory by effecting a decisive turn in the struggle to implement the party's policy of carrying out the revolution in light industry, by epochally increasing the production of people's consumer goods, and, thus, lifting the people's living standard.

In his New Year's address this year, in his historic policy speech, and in the 17th plenary session of the sixth party Central Committee, the great leader Comrade Kim Il-song not only clearly elucidated the brilliant prospects and the battle target of the eighties, but also set forth the rewarding struggle task for rapidly developing light industry to epochally improve the people's living. [applause]

The great leader Comrade Kim Il-song has taught: All functionaries should implement the party's policy of carrying out the revolution in light industry with lofty revolutionary spirit, party spirit, working class spirit, and people-mindedness and, thus, should see to it that a new turn is effected in the production of people's consumer goods.

The bright prospects and struggle task of the eighties set forth by our party demand that the flames of great revolutionary upsurge flare higher on all fronts of socialist construction and that, in particular, new innovations and upsurge in production be effected in the light-industrial sector. Only by effecting an upsurge in the production of people's consumer goods through the thorough implementation of the party's policy of carrying out the revolution in light industry can we not only further improve the people's living in conformity with socialist demands, but also vigorously accelerate the new march of the eighties and, thus, victoriously occupy the high hill of socialist construction.

We should extensively enhance the might of light industry in the movement for a general march of the nineties and, thus, should epochally improve the people's living. By so doing, we should fully demonstrate the superiority of the socialist system of our country and build a paradise of socialism where the people's independent and creative life fully flowers on this land. An important task facing us in implementing the party's policy of carrying out the revolution in light industry at present is to operate at full capacity the existing light-industrial plants, to keep production going on a high level, to increase the quantity and variety of consumer goods and decisively improve their quality by stepping up the modernization of light industry, and, thus, to more smoothly meet the demand of the people for consumer goods.

With the firm faith and indomitable fighting spirit of "once the party has decided, we will do it," all functionaries and workers in the light industry sector should unanimously rise up in the movement to create the speed of the nineties and effect a new great revolutionary upsurge. Thus, they should brilliantly carry out the party's task of carrying out the revolution in light industry. [applause]

To implement the party's policy of carrying out the revolution in light industry, it is imperative to effect innovations in the textile industry sector first. The textile industry is an important sector which should play a leading role in carrying out the revolution in light industry. Whether or not we can smoothly solve the people's clothing problem at a high level depends on the development of the textile industry. Only by effecting an innovation in the textile industry sector and, thus, by increasing the production of cloth can we not only smoothly solve the people's clothing problem, but also increase the production of other daily necessities and, thus, effect an overall upsurge in the light-industrial sector.

The textile industry sector should operate at full capacity the existing textile plants, vigorously accelerate the modernization of textile facilities, and, thus, epochally increase cloth production. By so doing, the textile industry sector should achieve the goal of producing 1.5 billion meters of cloth. What is important in increasing the production of cloth and, thus, in solving the people's clothing problem is to thoroughly implement the party's policy of developing our textile industry using our own fibers.

All textile plants should produce various kinds of cloth which is durable and has nice colors and which accords with the taste of our people, with chemical fibers produced in our country, including vinalon and staple fibers.

As the cocoon production with great prospects for development increases in our country, the production of various good-quality silk fabrics and silk processed goods should be rapidly boosted to supply our people with more products and to export more.

The percentage of printed and dyed fabrics in production should be increased. Also, the quality of fabrics should be further improved by actively introducing advanced post-dyeing processing technology, such as use of resin, waterproofing, and fireproofing.

All weaving equipment should be operated at full capacity by conducting equipment maintenance work well and by smoothly guaranteeing the production and supply of implements and parts in the weaving industrial field. Furthermore, the number of spindle revolutions of spinning machines and the productivity of weaving machines should increase by introducing precision and high-speed weaving machines. Also, the struggle to modernize the equipment and production process should be vigorously carried out. The percentage of knitted fabrics should increase in the weaving industrial field, and the party's policy of attiring many people in knitwear should be thoroughly implemented.

All knitwear factories should operate the existing knitwear equipment at full capacity to drastically boost the production of various kinds of comfortable, pretty knitwear.

As the production of fabrics increases, upsurges should be effected in the garment industrial field to produce and supply many kinds nice, pretty apparel.

Garment factories should specialize production and actively introduce modern garment processing technology, thus drastically increasing the production of many kinds of clothes and decisively improving the quality of garment processing.

The work of studying attire and fashion, which suits Koreans and meet modern tastes, should be widely conducted to further improve the clothing of our people.

A new renovation should be effected in the shoe industry field.

Shoes are not only daily necessities, which are indispensable to the people's daily life and work, but are important consumer goods to guarantee a cultural life.

The production of shoes should drastically increase by effecting new upsurges in the shoe industry field.

To smoothly meet diverse demands of the people for shoes, the number of kinds of shoes should increase and the quality of shoes should be further improved.

The shoe industry field should produce a large number of various types and kinds of shoes according to sex, age, season, and job, particularly further increase the percentage of the production of leather shoes and winter shoes, and produce and supply a great number of women's boots, high-heeled shoes, and summer shoes. Also, the demand for many kinds of work shoes should be smoothly guaranteed.

Scientific know-how should be introduced into shoe production to smoothly meet the demand for shoes of every size.

To effect a new upsurge in shoe production, the modernization of the shoe industry should be accelerated, and better-looking, durable, light, and comfortable shoes with resin liners should be produced.

Rapidly developing the food processing industry is a pressing demand for further improving the people's standard of living and liberating women from the burden of kitchen work.

Only when the food processing industry is rapidly developed can the dietary level of the people be elevated and can they enjoy an affluent and civilized life.

We should produce and supply a large amount of delicious and nourishing processed foods by thoroughly implementing the party's policy of food revolution in the food industry field, thus effecting a new turn in our people's diet.

First of all, emphasis should be placed on producing foods essential for the people's diet in the development of the food industry.

In conformity with the increasing demand of the people in their diet, the production of soy sauce should increase; its quality should be further increased, and many kinds of soy sauce processed goods should be produced and supplied.

Along with this, many kinds of raw material sources should be actively developed to increase the production of edible oil and more nutritious bean milk and bean curd should be produced and supplied for children, students, and workers.

To improve the people's diet and relieve women of the burden of house keeping, a large amount of dried rice and corn noodles should be produced and vegetables, wild greens, and sea weed should be processed in an industrial way and supplied to the people.

It is important in staging the food revolution to operate the corn processing plants at full capacity.

By technologically readjusting, rebuilding, and modernizing corn processing plants in provinces and operating them at full capacity, we should increase production of various kinds of processed foodstuffs, including syrup, corn sugar, edible oil, and confections. Along with this, by actively introducing advanced technology, all corn processing plants should further increase the extraction rate of corn and the quality of its starch. To enrich and diversify the working people's dietary life, it is imperative to produce soft drinks on a large scale. The existing soft drink manufacturing plants should be utilized to the maximum. By decisively increasing the production of various kinds of drinks, including beer, cider, and fruit juice, we should see to it that the people's demand for soft drinks should be smoothly met.

In the foodstuffs industry sector, by building and properly operating foodstuff plants, workshops, and work teams for children and thus developing the production of foodstuffs for children, we should produce and smoothly supply various kinds of foodstuffs and tonics for children, including nutritious rice, [word indistinct], cod-liver candy, powdered sea tangle, [word indistinct], and vitamins. All foodstuffs plants should guarantee higher productivity and high cultural and sanitary level in foodstuff production by vigorously waging technological innovation work and by introducing the comprehensive mechanization and automation of their production processes. To effect a turn in the production of people's consumer goods, it is imperative to further develop the daily necessities industry. As the standard of the people's living is promoted, the people's demands for daily necessities are to incomparably increase. The daily necessities industry sector should effect a new upsurge in the production of various kinds of daily necessities required in the working people's lives by thoroughly implementing the policy of carrying out the revolution in light industry. [applause]

The daily necessities industry sector should decisively increase the production of various kinds of household goods, kitchen utensils, modern household facilities, and school supplies by effectively utilizing the existing production foundation. In particular, the daily necessities industry sector should rapidly increase the production of various kinds of electronic daily necessities, including refrigerators, washing machines, sewing machines, bicycles, electric fans, cameras, television sets, electric clocks, and tape recorders, the demand for which is rapidly increasing among the working people.

By thoroughly implementing the party's policy of carrying out the revolution in furniture and other household goods, we should increase the production of modern furniture and other household goods and various types of porcelains, enameled ironware, and glassware. Thus, we should see to it that all dwellings both in urban and rural areas are more properly furnished with modern furniture and kitchen utensils. Cosmetics manufacturing plants should increase the production of high quality cosmetics and other sanitary goods by further perfecting production processes and actively mobilizing and utilizing our own raw material resources. We should also concentrate efforts on producing school supplies which accord with our children's tastes. Along with this, we should also further develop the production of toys for our beloved children.

It is important in producing daily necessities to rapidly increase the production of miscellaneous daily necessities. We should concentrate efforts on producing large quantities of the 206 kinds of miscellaneous daily necessities enumerated by the great leader Comrade Kim Il-song, so we can prevent miscellaneous daily necessities from running out of stock at stores. It has been a consistent policy of our party to develop large-scale central industry and local industry of small and medium sizes in parallel in light industry. The basic guarantee for effecting a upsurge in the production of people's consumer goods in the new march movement of the nineties lies in thoroughly implementing the party's policy of developing large-scale central industry and small- and medium-scale local industry in parallel. Functionaries of the local industry sector should effect a great innovation once again in developing local industry by displaying the same revolutionary spirit and militant mettle that they displayed in implementing the decision of the plenary session of the party Central Committee in June 1958. [applause]

As taught by the great leader Comrade Kim Il-song, every county should cultivate a base for raw material cultivation of 200 chongbo or more, and each foodstuffs plant should cultivate a base for raw materials cultivation of 50 chongbo or more. Counties and foodstuffs plants, by properly conducting fertilization and cultivation management on their bases, should produce more raw materials for local industry. Along with this, they should actively collect wild fruit and herbs in every season. To actively mobilize and utilize local raw materials, all cities and counties should arrange better working conditions for purchasing organs and should actively conduct procurement activities in a diversified manner. Thus, all cities and counties should mobilize and utilize to the maximum agricultural and livestock products and other old materials which are necessary for local industry. To lift local industry one step higher, it is imperative to more properly readjust and strengthen local industrial plants and to vigorously wage the struggle to modernize backward production facilities and processes on the basis of new technology. To rapidly increase the production of people's consumer goods, daily necessities plants, workshops, and work teams in central industrial enterprises should also produce various kinds of consumer goods in large quantities. At the same time, all central industrial enterprises should further expand their daily necessities plants, workshops, and work teams and fully mobilize and utilize all reserves and potential so they can produce good quality daily necessities in large quantities.

[Text] Widely conducting a movement to produce 3 August people's consumer goods, which were created by our party, is important work that enables us to produce various people's consumer goods in large quantities by conducting a popular movement to find reserves everywhere.

We must further increase the number of household work teams, subsidiary-work teams, and household service personnel in cities and rural areas, and we must vigorously conduct a movement to produce 3 August people's consumer goods, thus producing many miscellaneous daily necessities and various other people's consumer goods and sell them in direct-sales stores. In this way, we can better guarantee the people the services necessary for their livelihood.

To bring about new turns in the production of people's consumer goods, we must accelerate the modernization of the light industries, develop science and technology, and further improve the management and operation of light-industrial plants.

Further modernizing light-industrial plants, widely introducing ultramodern scientific and technological achievements, and scientifically and reasonably managing enterprises in step with the development of modern science and technology is a basic guarantee for strengthening the might of the light industries and displaying their production potential, thus successfully carrying out tasks for the light-industrial revolution, presented by the party.

In the light-industrial sector, we must wage a struggle to first accelerate the modernization of existing light-industrial plants, thus further enhancing their technological level and performance.

All the light-industrial plants must vigorously carry out the work of technologically remodeling outmoded equipment and production procedures, introduce more new and modern equipment, and widely carry out the comprehensive mechanization and automation of production.

We must further expand and strengthen equipment production bases in the light-industrial sector in step with the acceleration of the modernization of light-industrial plants, thus increasing the production of yarning and spinning equipment, food processing equipment, and various other modern light-industrial equipment.

By giving priority to developing science and technology for the light-industrial plants, as well as accelerating the modernization of light-industrial plants, we must strengthen the independence and self-reliance of the yarning and spinning industries, carry out a revolution to produce more vegetables, and successfully solve scientific and technological problems in developing the daily necessities industry. In this way, we must upgrade the scientific and technological level of the light industries of our country. [applause]

We must further develop the technology necessary for processing vinalon, corn, and vinyl chloride resin and must vigorously develop new light-industrial resources and materials by utilizing natural resources and material in our country.

To accelerate the modernization of light-industrial plants and rapidly develop science and technology in the light-industries, we must decisively strengthen scientific and technological researches in the light-industrial sector.

With high loyalty toward the party and the leader and with revolutionary fervor, scientists and technicians in the light-industrial sector must successfully solve urgent scientific and technological problems, thus wonderfully fulfilling their noble mission and honorable duty.

In addition, they must vigorously carry out the popular movement for technological innovation in all the sectors and units of the light industries, thus successfully the complicated and difficult tasks of the technological revolution.

Improving the management of enterprises in compliance with the demands of the great Taean work system is an urgent demand for successfully completing the tasks of the light-industrial revolution by efficiently utilizing the existing production foundation in the light-industrial sector.

The Taean work system, which the great leader Comrade Kim Il-song created, is a chuche-oriented socialist economic management system that materializes our party's chuche idea and mass line and is a scientific economic management system that enables us to correctly realize the demands of socialist economic principles and special economic management principles. [applause]

By defending and adhering to the Taean work system, the most outstanding economic management system of our style and thoroughly materializing it, we must display its great vitality in socialist economic construction.

By strengthening the collective guidance of party committees and more vigorously carrying out economic organizational work in compliance with the demand of the Taean work system, all the plants and enterprises in the light-industrial sector must organize and mobilize all of the revolutionary fervor of the producing masses and their positive creativity. In this way, they must bring about endless innovations and upsurges in the production of people's consumer goods. [applause]

Managing facilities, labor, and financial affairs well is important in improving the management of enterprises in compliance with the Taean work system.

All the light-industrial plants must manage facilities well, among other things—inspect them daily, repair them in a timely manner and maintain them, and manage them in compliance with technological provisions—to prevent various sorts of incidents in operating facilities and operate facilities at their full capacity.

By thoroughly carrying out labor administration work in the form of work with people and political work, all the plants and enterprises in the light-industrial sector must strongly arm the workers with the chuche-oriented view on labor and must ensure that they will highly display a revolutionary labor spirit and that, as a result, they all will have the honor of becoming creators of feats and innovators in carrying out the light-industrial revolution.

Along with this, all light-industrial plants should manage enterprises and national economy in an assiduous and frugal manner by correctly enforcing the independent accounting system and by enhancing the system of daily production and financial accounting.

All fields of the national economy should vigorously assist light industry to implement the party's policy of light-industrial revolution.

For all fields of the national economy to assist light industry is an important demand of the party's light industry-first policy.

To normalize production at a high level in light-industrial plants and rapidly increase the production of people's consumer goods, the chemical- industrial plants and enterprises should effect new upsurges and adequately supply light industry with raw materials and materials. The chemical industry is a basic foundation for developing light industry. Unless the chemical industry is developed, no sector of light industry—including textile, food, and daily necessities industries—can be well developed.

When renovation is effected first in the chemical industrial field and the chemical industry is surging with vigor, all domains of light industry can become animated and the flames of the light-industrial revolution can be fanned.

All plants and enterprises in the chemical-industrial field should effect great upsurges in the production of light-industrial raw materials and materials by further prompting themselves and striving to develop light industry and to excellently discharge the weighty but honorable duty of improving the people's standard of living.

The chemical-industrial field should, above all, concentrate efforts on the production of chemical fabrics.

Rapidly increasing the production of vinalon and other chemical fabrics is a basic key to smoothly solving the people's problem of food and to attaining the goal for the production of 1.5 billion meters of fiber.

We should adhere to the production of chemical fabrics as a strategic index for improving the people's standard of living and normalize the production of vinalon, staple fiber, Orlon, and other chemical fabrics at a high level.

All chemical fabric plants should reinforce the existing equipment, thoroughly plan and coordinate production organization and supply work, operate at full capacity, and decisively boost the production of chemical fabrics, thereby unconditionally supplying light-industrial plants with necessary fabric raw materials as planned.

The chemical-industrial sector should also concentrate efforts on the production of synthetic resin and rapidly increase the production of vinyl chloride, polyethylene, and other synthetic resins and plastics.

The production of paper should increase and its quality should be decisively improved by remodeling pulp plants technologically and perfecting production processes.

Along with this, the production capacity of the existing chemical plants should be fully exploited to produce more caustic soda, sodium carbonate, chloride of lime, paint, dyes, and other chemical products, thus smoothly meeting the demands of chemical plants.

The field of salt industry should standardize and expand saltworks, accelerate the general mechanization of production, actively introduce advanced production methods, thereby rapidly increasing the production of salt and smoothly meeting the demand for salt of the chemical-industrial field.

To operate light-industrial plants at full capacity and normalize production, not only the chemical-industrial field, but also other fields of the national economy render light industry good assistance.

The capital-heavy industrial sector—including electric power, coal, and metallurgical industries—should produce more fuel, power, metal materials, timber, and equipment and apparatuses needed to accelerate the modernization of light-industrial plants and supply the light-industrial sector with them in a timely manner. The rural economic sector should fully guarantee the production of tobacco, cocoons, oleaginous plants, leather, and many other light-industrial raw materials.

Transporting raw materials, materials, and equipment in a timely manner is no less important than their production.

The transport field should organize railway transport in a reasonable way, organize long-distance vehicle transport teams in many places, strengthen ship transport, and transport raw materials and materials needed to produce people's consumer goods in a timely manner.

To carry out supply work for the light-industrial sector well, the functionaries of all sectors of the national economy should work from a position of being worthy masters who take responsibility for the people's lives.

All fields and units should give priority concern to supply work for the light-industrial field and thoroughly adhere to the principle of preferentially producing and supplying raw materials, materials, equipment, and others which light-industrial plants require.

Today the flames of the produce-and-save-more struggle to effect great revolutionary upsurges again are being fanned on all fronts of socialist construction.

A firm guarantee for effecting a turn in the production of people's consumer goods and for drastically improving the people's standard of living lies in a vigorous struggle to produce and save as much as possible in the light-industrial field.

All sectors and units of the light-industrial field should vigorously stage the struggle to create the speed of the nineties by highly displaying the revolutionary spirit of self- reliance and fortitude while increasing production and practicing conservation. All light-industrial plants should successfully carry out assigned revolutionary tasks, relying on the producer masses, by unstintingly mobilizing inner reserves, manufacturing what does not exist and seeking out more of what is in short supply.

The struggle to produce and to practice conservation to the maximum can achieve great success only when it is linked with a mass movement. All sectors and units of light industry should vigorously conduct the campaign to win the red flag of the three revolutions so as to see to it that the flames of the ideological, technological, and cultural revolutions vigorously flare up in all production sites of people's consumer goods and that the production sites seethe with the new vigorous march of the nineties.

Holding aloft the party's slogan, "Let us heroically live and struggle, we should wage the movement to follow and emulate the model set by unheralded heroes. And all workers should effect collective upsurges and enact heroic exploits, helping and guiding each other, thus successfully carrying out the light-industrial revolution and powerfully accelerating the campaign for a grand socialist march [applause].

To successfully perform the tasks of the light-industrial revolution assigned by the party, the guiding functionaries of all fields of the national economy should enhance their sense of responsibility and their role.

Staging the light-industrial revolution is rewarding work aimed at providing the people with an affluent and civilized life and honorable work which all guiding functionaries should take charge of and carry out.

There is no more important task to guiding functionaries, the commanding personnel of the revolution, than to struggle to improve the people's welfare.

With a high revolutionary self-aware consciousness of taking responsibility for the people's life and the spirit of devotedly serving the people, all guiding functionaries of all sectors and units of the national economy should responsibly work to help our people live better than others.

All guiding functionaries should aggressively tackle all problems arising in implementing the policy of the light-industrial revolution and solve them in a revolutionary and militant manner by giving full play to the revolutionary spirit, the party-minded spirit, the working class-minded spirit, and the people-minded spirit.

The glorious WPK is a seasoned and tested party which takes the fate of the fatherland and the people and which reliably inherits and consummates the chuche revolutionary cause.

Resolutely defending and safeguarding our great party and upholding the party's leadership with loyalty are a decisive guarantee for all our victories [applause].

In the manner of the anti-Japanese revolutionary martyrs who hewed out the arduous path of the Korean revolution while upholding the great leader Comrade Kim Il-song as the center of unity and leadership, fighting to consummate the chuche cause while upholding the party's leadership with loyalty and sharing the fate with the party forever along the single path of the revolution is the firm faith and will of our people [applause].

Upholding the leadership of the great party, we should powerfully struggle to successfully build socialism and communism under the revolutionary banner of the chuche idea and to fulfill the duty and mission as the fighters of the party [applause].

Adopting the revolutionary idea and intention of the party and the leader as faith and thoroughly embodying them are the first life of the faithful revolutionary fighters, who are eternally loyal to the party's leadership, and their lofty duty.

We should firmly arm ourselves with the revolutionary idea of the great leader Comrade Kim Il-song—the chuche idea—think and act according to the chuche idea under whatever complicated circumstances, and staunchly fight only along the single path indicated by the chuche idea [applause].

By firmly adhering to the lines and policies of our party and by fully displaying the revolutionary spirit of thoroughly implementing them on the principle of absoluteness and unconditionality, all functionaries and workers in the light-industrial field should brilliantly carry out the tasks of the light-industrial revolution assigned by the party and effect new great upsurges in socialist construction [applause].

Today our party is arousing the working class and workers in the light-industrial field to the sacred struggle to implement the party's policy of the light-industrial revolution [applause].

No force in this world can block the march of our people who are advancing while upholding the great leader Comrade Kim Il-song and following the great leadership of our party. There will be only victory and glory before us who are deeply awakened to their historic mission and who struggle for the just cause [applause].

Let all of us vigorously advance to wave the flag of victory on a new high peak of socialist construction by accelerating the all-out march of the nineties in firm unity around the party Central Committee led by the respected and beloved leader Comrade Kim Il- song [applause and shouts of slogans].

South Korea

No Meets Media on North-South Issues, Politics

SK2806085190 Seoul YONHAP in English 0820 GMT 28 Jun 90

[Text] Seoul, June 28 (OANA-YONHAP)—President No Tae-u said Thursday [28 Jun] that South Korea, in a bid to hold practical discussions, was willing to accept North Korean proposals on inter- Korean relations even if they were exercises in anti-Seoul propaganda. No also said he would not seek to replace the presidential system with parliamentary cabinet setup through a constitutional amendment this year.

"We are seeking various ways to open realistic inter-Korean dialogue, even though I think our basic principle should remain firm," No said. "However, departing from our earlier position, we would like to accept North Korean proposals even if it is evident that they were made for propaganda purposes, thus leading to practical discussion of issues such as disarmament to bring peace to the Korean peninsula," the president told reporters on the eve of the anniversary of his June 29, 1987, declaration of democratic reforms.

Coming amid predictions that he will soon make a landmark proposal on inter-Korean relations, No's remarks were construed as a strong hint that South Korea will accept, or partly accommodate, a recent North Korean proposal on disarmament on the divided Korean peninsula. Government officials have hinted they will flexibly cope with the North's proposal, and say Pyongyang's suggestion showed some changes in its attitude toward disarmament, including a softer stand on U.S. forces in Korea and reduction of troops by both sides.

The North had earlier set as a condition for disarmament the removal of all U.S. forces from Korea and a cut in the troop strengths of the two Koreas before building military confidence between Seoul and Pyongyang. South Korea insists confidence-building measures should precede troop cuts.

On a South-North non-aggression pact, No said, "Our position is that a non-aggression accord should be handled from a practical point of view, but we see that the main goal of the North in calling for a non-aggression pact is the removal of U.S. troops. We are seeking various ways to advance South-North dialogue, even if we have not set a timetable..."

The president said he thought "Relations between South Korea and the Soviet Union have got off to a good start," noting that his meeting with Soviet President Mikhail Gorbachev had "yielded good contents and results."

"But the problem hinges on how Soviet domestic problems in political, economic and social fields will be settled in the Soviet party convention next month," he said. "We are waiting for the Soviet Union to put out its position. Things will go reasonably after the Soviet party convention has ended next month. We don't have to be impatient." He did not set a date for opening diplomatic ties with Moscow. Asked if it was possible he would visit Moscow this year, No said, "I hope to." He declined to comment on the possibility of traveling to China during the Asian Games in September.

On domestic issues, No said he would not push for amendment of the Constitution to adopt a parliamentary government system, but hinted he would like to see a parliamentary cabinet setup before his term in office expires.

"If I seek to change the Constitution, I will do it in consultation and cooperation with the opposition. I will not unreasonably push for constitutional revision if the people oppose it," he said. "I think that politicians can naturally discuss any type of system of government. And personally, I prefer the parliamentary cabinet system."

This is seen as a sign that No will try to introduce the cabinet system as soon as he sees a chance. Two of the three major factions in the Democratic Liberal Party are openly calling for revision of the Constitution, but party chairman Kim Yong-sam's faction, the second largest group in the ruling party, has balked. Kim Tae-chung's Party for Peace and Democracy strongly opposes the parliamentary system.

"Our task now is to solve the conflict and animosity among individuals and income brackets, and thus bring reconciliation among them...," No said. "We must achieve economic recovery and consistent economic growth to realize our forward-looking goal—national reunification," No said.

No's declaration three years ago, in response to massive street protests, promised democratic reforms, including direct presidential elections (scrapping the electoral college system), releasing political prisoners and reinstating civil rights to such famous dissidents as Kim Tae-chung. At the time, No was the ruling party's candidate for president.

Japanese Agency on DPRK's Declining Trade

SK2706005690 Seoul THE KOREA HERALD in English 27 Jun 90 pp 1, 7

[Text] Tokyo (AFP)—North Korea's trade in 1989 suffered its first decline in six years as its stagnant economy was drained further by spending on a world youth festival, a Japanese tade promotion agency said Monday.

"Depending on how it responds to the trend of the times, north Korea may find it difficult to stop its external trade from tapering off," the Japan External Trade Organization (JETRO) said in an annual report on north Korea.

The report cited a "rapidly changing" situation surrounding hard- line Communist north Korea, including China's economic readjustments and rapprochement between the Soviet Union, the country's main supplier of aid, arms and oil and its rival south Korea.

North Korea's exports to its 33 major trading partners dropped 6.6 percent to $1.56 billion last year while imports also fell 12.1 percent to $2.52 billion, JETRO said.

Those figures meant a 10.1 percent drop in two-way trade to $4.08 billion for the first annual decline in six years compared with a 18.8 percent rise in 1988, the semi-official Japanese agency said.

The country's trade deficit shrank to $960 million from $1.2 billion.

North Korea's trade with the Soviet Union, its largest trading partner, also dropped 9.6 percent for the first decline in six years.

Its exports to the communist giant increased a slight 0.4 percent to $891 million, led by clothing, rolled steel, magnesite clinker and rice.

Imports of Soviet goods, mainly transport machinery, crude oil and petroleum products, coal, wool and wheat, dipped 14.6 percent to $1.5 billion.

North Korea's trade with China edged down 2.8 percent to $562 million. Exports totaled $185 million, down 20.7 percent, while imports from China rose 9.3 percent to $377 million.

Despite the absence of diplomatic ties, economic superpower Japan remained north Korea's largest non-Communist trade partner, but both exports and imports fell compared with 1988.

Japan's exports to north Korea, led by machinery, electric appliances and motor vehicles, dropped 8.0 percent to $283 million while its imports plunged 17.5 percent to $206 million.

North Korea's trade with Hong Kong jumped 11.0 percent to $179 million with exports to the British colony up 21.9 percent at $36 million and imports up 8.5 percent at $142 million.

Celebrations for north Korea's 40th founding anniversary in 1988 and the holding of the world student festival in Pyongyang in July further taxed the country's economy and hampered its export drive because of massive investment in nonproductive projects, the JETRO report said.

Japanese Official: DPRK To Change in 3 Years

SK2806101590 Seoul TONG-A ILBO in Korean 28 Jun 90 p 2

[Report by Tokyo correspondent Yi Nak-yon]

[Text] The 28 June edition of YOMIURI SHIMBUN reported that, in connection with North Korea's situation, a high-ranking official at the Japanese Ministry of Foreign Affairs said on 27 June that he "thinks certain changes will take place in three years" in North Korea.

This newspaper also reported that, as evidence for this speculation, this high-ranking official said that "transfer of power is taking place in North Korea" and that "there are also moves inside the North Korean Workers Party over power." This newspaper also reported that the official admitted that there are moves toward the "post-Kim Il-song structure."

Scholar on Possible Internal Conflict in DPRK

SK2706113090 Seoul CHUNGANG ILBO in Korean 25 Jun 90 P 4

[Article by correspondent Pang In-chol from Tokyo]

[Text] On the occasion of the 40th anniversary of the outbreak of the Korean war, Okonogi, professor at Keio University of Japan, who is an expert on North Korean affairs, had an interview with the Japanese newspaper MAINICHI SHIMBUN on 25 June. In the interview, professor Okonogi assessed the possibility of the recurrence of a war in Korea by saying that "if North Korea collapses the way Romania did, the possibility exists for an internal conflict to break out there and this may then spread to the South."

Stating that North Korea may create tension in the area along the DMZ in a bid to escape its domestic crisis, professor Okonogi added: "Even if a second Korean war breaks out, there will be no possibility for big powers to intervene in it, and such a situation is precisely the difference from the situation at the time of the past Korean war in 1950."

The following is the gist of the interview with professor Okonogi:

[MAINICHI SHIMBUN] Which side should bear the responsibility for the outbreak of the 25 June Korean war?

[Okonogi] It is reasonable to conclude that Kim Il-song triggered the war by persuading Stalin to approve it. Kim Il-song apparently had a nationalist feeling of seeking to liberate South Korea. However, Syngman Rhee also insisted on a theory of reunification by invading the North. Therefore, although we cannot deny that Syngman Rhee was indirectly responsible for the war, North Korea cannot escape moral responsibility for it.

[MAINICHI SHIMBUN] Is your conclusion based on new information from the Soviet Union and China?

[Okonogi] China has consistently asserted that it did not trigger the war but supported North Korea in a defensive posture. The Soviet Union has concentrated efforts on criticizing Stalin because of the influence of its glasnost policy.

[MAINICHI SHIMBUN] Why did the United States intervene in the Korean war?

[Okonogi] The United States thought that the Korean peninsula was not important militarily. The U.S. military circles decided to withdraw U.S. troops in accordance with MacArthur's advice. On the other hand, the U.S. Department of State wanted to continue maintaining the Korean peninsula as a show window of the United States. The United States thought that it could control South Korea through its economic and military aid without deploying U.S. troops there.

The United States thought that even if North Korea invaded South Korea, China and the Soviet Union would not intervene and estimated that if North Korea invaded the South alone, the South Korean Army could block the invasion. The United States never thought that the Soviet Union would approve the North's southward invasion. This was a big mistake.

[MAINICHI SHIMBUN] The UN forces marched toward North Korea crossing the 38th parallel. Why?

[Okonogi] In the middle of the war the U.S. Government and the U.S. Department of State in particular apparently changed the purpose of U.S participation in the war. In other words, they thought they could win the war. At the same time, they wanted to use the war to achieve the reunification of the Korean peninsula, proceeding from the fear that if they stopped the march at the 38th parallel, North Korea again would invade South Korea.

The U.S. military circles were worried about China's participation in the war. Accordingly, they were not too eager to continue marching toward North Korea. China's reaction to the UN forces' march toward North Korea at that time has recently been revealed. In fact, China had kept silent about its reaction until now. I think the United States and China failed to correctly understand each other's conduct.

North Places Gorbachev Second on 'Protocol' List

SK2806024490 Seoul THE KOREA HERALD in English 28 Jun 90 p 1

[Text] TOKYO (AFP)—North Korea, unhappy at upheavals in the Communist world, has relegated Soviet President Mikhail Gorbachev into second place behind his Chinese counterpart in its latest world leader protocol mailing list.

Chinese President Yang Shangkun was followed by Gorbachev, Cuban President Fidel Castro and Romanian President Ion Iliescu on the list of 68 world leaders, according to the official agency monitored here Wednesday.

When Kim, 78, last retained the all-powerful post in 1986, Gorbachev topped a similar list, followed by the then Chinese President Li Xiannan and Castro.

"We clearly see it as an expression of displeasure over the recent developments" surrounding the Korean Peninsula, said a diplomat here.

Gorbachev held an unprecedented summit with south Korean President No Tae-u in San Francisco June 4, a step toward normalization of relations between the two countries, despite the north's opposition to the "two Koreas" scheme of dual recognition backed by Seoul.

KCNA [Korean Central News Agency] was quick to carry a broadside quoting a mysterious "south Korean" dissident front as saying the No-Gorbachev meeting was "unpardonable, traitorous bargaining intertwined with anti-peace, anti-reunification crime."

A Tokyo analyst, who closely monitors Pyongyang, said China had long been tipped to overtake the Soviet Union in Pyongyang's pecking order. "It has come as no surprise," he said.

KCNA and Pyongyang radio put China ahead of the Soviet Union for the first time in 10 years on Pyongyang's list of new year greetings.

Elder statesman Deng Xiaoping led 15 Chinese state and party figures on the list, followed by Gorbachev and other Kremlin leaders.

Kim, who has ruled the north of the Korean Peninsula since its division in 1945, made an unannounced visit to Beijing in November and agreed with the Chinese leadership to uphold the principles of socialism.

Despite this China is trying hard to restore ties with the West and revitalize its open-door and reform policy following the bloody crackdown on pro-democracy protests in June last year.

Meanwhile, Kim, reelected to a fifth term of the all-powerful presidency created for him in 1972, has vowed to maintain what he called "our superior socialist system" founded on his policy of self- reliance.

In his congratulatory message, Yang wished Kim "new successes" in the "cause of socialism and socialist construction and "the struggle for independent and peaceful reunification" of Korea.

Gorbachev told Kim that Soviet-north Korea relations must develop "for the welfare of the two peoples, in the interest of peace and progress and in favor of the strengthening of security in the Asia- Pacific region."

'Single Channel' Urged for USSR Economic Ties

SK2806040490 Seoul YONHAP in English 0254 GMT 28 Jun 90

[Text] Seoul, June 28 (YONHAP)—A South Korean expert on Seoul-Moscow ties called Thursday for a single channel for economic cooperation with the Soviet Union to eliminate competition among Korean companies.

Speaking at a seminar on Korea-Soviet economic cooperation, Yi Chae-chang, Soviet department chief at the International Private Economic Council of Korea (IPECK), said the government and Korean businessmen should work out an agreement to prevent excessive competition over economic advancement into the Soviet Union.

"Domestic institutions and firms have been approaching the Soviet Union competitively for the last couple of years, while the Soviets have been integrating and coordinating their approach to Korea through a single channel, the Soviet Chamber of Commerce and Industry.

"The government should now pursue economic ties with the Soviet Union in a consistent manner by opening a unified channel and building close cooperation with the private sector," he said. Saying Korean industries, particularly small- and medium-sized firms, lack knowledge of the Soviet Union, Yi advised the government to establish an information center specializing in the communist giant.

He also urged universities, colleges and research institutes to carry out basic study of the Soviet economy, politics, social structure and laws, and analyse changing socio-political trends and investment-related systems, to minimize errors in the early stage of economic cooperation with the country. Bilateral economic cooperation will make a favorable atmosphere for complete Seoul-Moscow ties, but exploitation of economic contacts for political purposes might result in mutual losses, he warned.

Seminar on Expense of Replacing U.S. Troops

SK2806071290 Seoul YONHAP in English 0646 GMT 28 Jun 90

[Text] Seoul, June 28 (YONHAP)—South Korea would have to raise defense spending 30 percent a year and expand the Armed Forces 30 to 50 percent to fill the vacuum if U.S. forces were removed from Korea under current circumstances, a professor of political science said Thursday. Chong Yong-sok of Tankuk University also told a seminar on national security that military service might have to be lengthened from 30 months to 45 months.

"To maintain military capability at the current level, the government would have to increase the defense budget over 30 percent annually. But a larger budget alone would not fill the vacuum," he said. The one-day seminar was sponsored by the national defense college's Research Institute on National Security Affairs (RINSA).

Pak Chun-sam of RINSA called on the government to increase military spending to make South Korea's war fighting capability compatible with North Korea's. South Korea is weaker than North Korea by a margin of 70 to 100 even with American troops stationed here, he said. Quoting data supplied by the National Unification Board, Pak said South Korea's military spending in 1961-1988 was half that of the communist North's and predicted it would take six to 15 years for the South to raise its military spending to the level of the North.

"South Korea's defense spending began to exceed the North's in the 1980s. When it comes to the total invested in the military sector from 1961 to 1988, however, the South's investment is somewhere between 47.9 percent and 61 percent of the North's," he said. He estimated cumulative military investment since 1961 would reach almost the same total for each side between 1996 and 2005.

Women Dissidents on Security Law, U.S. Force

SK2806084690 Seoul YONHAP in English 0740 GMT 28 Jun 90

[Text] Seoul, June 28 (YONHAP)—Korea Women's Associations United (KWAU), a South Korean dissident group, demanded Thursday that the government scrap the National Security Law, under which long jail terms are meted out for unauthorized contact with North Korea.

"The National Security Law defines North Korea as an anti-state organization, and contact between South Koreans and their Northern brethren as benefitting the enemy. The law should be repealed right away," KWAU said in a statement issued to mark the first anniversary of Yim Su-kyong's visit to Pyongyang.

"Yim Su-kyong, the Rev. Mun Ik-hwan and the Rev. Mun Kyu-hyon should be released from the prison at once, and private inter-Korean dialogue, exchanges and visits guaranteed," the dissident women said. They said a peace treaty and a non-aggression declaration should be adopted by the two Koreas to build mutual confidence and peace.

KWAU campaigned for Yim's release from jail Thursday morning, collecting signatures from sympathetic citizens near Myongdong Roman Catholic Cathedral in central Seoul. Yim, 23, visited North Korea last year without government permission, followed by Mun Kyu-hyon, 41, a Catholic clergyman. The two were sentenced to five years in jail each for violating the National Security Law. Mun Ik-hwan visited the North in March last year and was sentenced to seven years in jail.

The women's statement called for U.S. forces to get out of South Korea within five years and denounced the government for agreeing to pay for removal of a U.S. base from the center of Seoul.

FRG, GDR, Korean Firms Set Up Consortium

SK2806072290 Seoul YONHAP in English 0559 GMT 28 Jun 90

[Text] Seoul, June 28 (OANA-YONHAP)—Integration of the European Economic Community in 1992, increased trade with East-bloc nations and the need to strengthen Far Eastern shipping lines have harmonized, making it an opportune time for an international consortium to set up a worldwide shipping service, Choyang Shipping Co. President Pak Chae-ik said Wednesday.

Pak was attending a news conference with Karl Sagar, chairman of Senator Line of West Germany, and Hans Zinn, managing director of Deutsche Seereederei Rostock Gmbh (DSR) of East Germany, to announce that the three had signed an agreement to set up a consortium called Tricon for a round-the-world shipping service.

The three shipping firms will put 24 container ships into the service, covering the Far East, Europe and North America from January 1991 through 1996. They will put an additional nine ships into service to develop an end-to-end route covering north Europe, the Mediterranean, the Middle East and southeastern Asia from October. A dozen ships will sail from East to West, while the remainder will travel in the opposite direction. The route for the around-the-world service is Pusan, Keelung, Hong Kong, Singapore, the Suez Canal, Hamburg, Bremen, Rotterdam, Antwerp, Felixstowe, the Atlantic, Philadelphia, Wilmington, Jacksonville, the Panama Canal, Long Beach, Oakland, the Pacific, Kobe and Yokohama. Choyang and Senator will each take 42.5 percent of the total tonnage and DSR the remaining 15 percent.

There will be a joint operation center for Tricon in Bremen and satellite operation centers in Seoul and San Francisco, but the three firms will conduct business independently and manage shipping agents separately.

Answering concern that establishment of a worldwide shipping service might confuse market order and undermine the profits of other shippers, the three representatives said they would respect shipping rates and booking practices in order to stabilize the route.

Saga, elected first two-year term Tricon head, said EEC integration would form the world's biggest single shipping market and that, therefore, protectionism would not be strengthened as feared by the Korean side. A day before the agreement, the three representatives visited the Korea Maritime and Port Administration (KMPA) to request the issuance of a license in connection with their planned worldwide service.

Dissident Publishers Charge Government Oppression

SK2806020290 Seoul THE KOREA TIMES in English 28 Jun 90 p 3

[Text] A total of 77 persons have been arrested in the last two and half years for having printed and distributed books that praise communism or side with North Korea, according to a report by the Korean Publishing Culture Movement Council [PCMP], an association of dissident publishers.

The report is titled "The Sixth Republic and Oppression of the Publishing World."

The figure compares with 12 in 1986, the year before President No Tae-u's June 29, 1987 "declaration of democratic reforms." No publishers were arrested in 1982, 1983 and 1984, and only one in 1985, the reports said.

The report said that the security authorities confiscated about 81,000 volumes in 38 raids during the first half of this year. The figure was 12,000 copies in 1986 and 26,000 in 1987.

Socialist-oriented publishers have made "too hasty" attempts to print original works of communist philosophers, whereas the government has reacted "too sensitively" to them, according to experts.

The experts said that less publishers were detained under "the oppressive rule of the Fifth Republic" because they could hardly conceive even the idea of printing such books.

The experts analyzed that the publishing world of dissident groups was able to get easy access to a flood of translations of Karl Marx and Nicholai [as published] Lenin in 1987, and then original versions of North Korean books in 1989.

Filling the shelves of book stores this year are South Korean works based on analyses of the imported original socialist books, the experts said.

Kim Tae-kyong, president of the PCMC, said, "President No had said, 'Now, we need to convert the principles on anti-communism education that we used to stick to,' in an interview with NEWSWEEK magazine in August 1988."

Kim also quoted No as saying in the interview that "I will let our young people read North Korean materials including newspapers and books without the government's censorship so that they judge them by themselves."

Kim went on: "Anyhow, the President doesn't seem to have kept his promise yet. Our society has matured well enough to accept the original works of socialism. The acceptance will certainly expedite understanding of communist ideology and its reality."

Cabinet Favors Stricter Broadcasting Control

SK2806084490 Seoul YONHAP in English 0729 GMT 28 Jun 90

[Text] Seoul, June 28 (OANA-YONHAP)—The cabinet approved three bills on revamping South Korean broadcasting Thursday, paving the way for tighter government control of state-run and commercial networks.

The bills, which will be submitted to the National Assembly soon for approval, amend the broadcasting law, the Korea Broadcasting System (KBS) law and the Korea Broadcasting Advertisement Corp. law. The amendment to the broadcasting law strengthens the power of the state-controlled Korea Broadcasting Commission by empowering it to order networks to suspend programs or advertisements it finds "troublesome." KBS also has the right to recommend that the information minister restrict broadcasting licenses.

Revision of the broadcasting law is designed to put Korea's networks on a short leash and has sparked an argument between the government and the press, which has denounced the move as part of a plot to control broadcasting and as violating the freedom of the press.

The bill also stipulates that a big business or an individual may not own more than 30 percent of the shares of a commercial broadcasting network. Such a network is expected to be set up later this year.

The KBS law amendment requires the head of KBS to report annually to the information minister and for the minister to express his opinions on management, virtually installing the apparatus for government control of the network. The amendment also strengthens the power of the KBS president in such matters as personnel management, allowing him to appoint senior staff members without approval of the board of directors.

Government To Revise Immigration Control Law

SK2806042090 Seoul YONHAP in English 0244 GMT 28 Jun 90

[Text] Seoul, June 28 (YONHAP)—South Korea is to simplify exit and entry procedures and tighten regulations on illegal employment of aliens by revising the Immigration Control Law, the Justice Ministry said Thursday.

The ministry will extend the maximum stay in Korea for Korean expatriates from the East bloc from 30 to 90 days and seek visa exemption agreements with more nations. Currently, Korea has such agreements with 45 countries, according to a directive issued at a meeting of immigration control office chiefs.

It will allow immigration offices to issue entry permits without ministry authorization for nationals of countries with which Seoul has no diplomatic relations.

Under the directive, the ministry will also strengthen punitive regulations on unlawful employment of aliens.

A foreigner who works illegally will be punishable by up to three years in prison or a fine of less than 5 million won. The employer will be punishable with a jail term of less than three years or a fine of less than 3 million won.

The current penalty is imprisonment of less than three years or a fine of less than 3 million won for the illegal worker and a fine of less than 1 million won for the employer.

The ministry uncovered 244 cases of illegal employment in 1987, 258 in 1988, 450 in 1989 and 528 in the first five months of this year.

Government Planners Revise Economic Forecast

SK2706025690 Seoul YONHAP in English 0230 GMT 27 Jun 90

[Text] Seoul, June 27 (OANA-YONHAP)—South Korea's economic planners revised their forecasts Wednesday, raising the inflation rate for the year to 9 percent and predicting the economy will expand 8-9 percent.

The Economic Planning Board (EPB) said it now expected a current account deficit of 1 billion U.S. dollars, half its earlier figure of 2 billion dollars, with exports reaching 65 billion to 65.5 billion dollars and imports 69 billion to 70 billion dollars. Exports were earlier projected at 66 billion dollars and imports at 68 billion dollars, with inflation estimated at 5 percent to 7 percent.

The EPB report was approved by economic ministers in a meeting chaired by Economic Planning Minister Yi Sung-yun Tuesday. The new forecast is based on the better-than-expected economic performance in the first half and an anticipated export recovery in the second half, the report said. The EPB revision also reflects the government's expectations of current account and trade surpluses in the latter half, helped by a recovery in merchandise exports, and a slow-down in inflation as real estate prices, one of the main causes of Korean inflation, are cooled by strong government measures, the report said.

Government policy will accent keeping consumer price rises in the single digits and curbing consumption, especially of luxury goods, according to the report. As part of efforts to restrict consumption, the government will ask travel agencies to refrain from advertising luxury overseas tours because a sharp rise in overseas spending in the past two years has hurt the current account balance, the report said.

The government, judging that an overheated construction market has fueled inflation, will limit construction projects, banning construction of large commercial buildings and nonproductive buildings such as condominiums and hotels until the end of the year, the report said. The government will help low-income people buy homes by easing the conditions and procedures for purchasing small apartments, it said.

To accelerate the export recovery, the government will push to increase facility investments by export industries and help them sharpen their international competitiveness through development of new technologies, according to the EPB report. The government will draw up "a five-year plan on developing production technology" to help export industries overcome technical problems while expanding imports of advanced technologies from industrialized nations and jointly developing technologies, it said.

Cambodia

Heng Samrin at Party Anniversary Meeting

BK2806072990 Phnom Penh Domestic Service in Cambodian 0430 GMT 28 Jun 90

[Text] On the morning of 28 June at the Basak festival hall, a solemn meeting was held to commemorate the 39th founding anniversary of the Kampuchean People's Revolutionary Party [KPRP].

Among those presiding over this occasion were Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the State of Cambodia's Council of State; Comrade Chea Sim, member of the Political Bureau of the party Central Committee and chairman of both the National Assembly and the front's National Council; Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and foreign minister; Comrade Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and vice chairman of the party Central Committee's Control Commission; Comrade Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Cambodian Federation of Trade Unions; Comrade Ney Pena, member of the party Central Committee Political Bureau and chairman of the party Central Committee's Propaganda and Education Commission; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and secretary of the Phnom Penh party committee; and Comrade General Sin Song, alternate member of the party Central Committee Political Bureau and interior minister.

Also honoring the meeting were comrade members of the party Central Committee, ministers, deputy ministers, directors general, deputy directors general, leading cadres from various central institutions, cadres and staff from central ministries and services and from Phnom Penh city, many representatives of the Cambodian People's Armed Forces, intellectuals, and various ethnic groups, and a lot of people in Phnom Penh.

Comrade ambassadors, charge d'affaires, advisers, and representatives of various friendly countries' embassies accredited to Cambodia and many international organizations operating in Cambodia were also invited to attend this meeting.

Speaking on this solemn occasion, Comrade General Secretary Heng Samrin recalled that the KPRP was born from the Indochinese Communist Party and pointed to the development and the current evolution of the national and international situation. Comrade General Secretary Heng Samrin stressed the party and state political lines of the State of Cambodia which has always wanted to end the war quickly for peace and for the people's happiness. However, the unfriendly forces of the three reactionary Cambodian groups have not abandoned their perfidious maneuvers. They have tried to find every means to oppose the State of Cambodia and bring back the genocidal Pol Pot regime to Cambodia.

Comrade General Secretary Heng Samrin appealed to the entire party, Armed Forces, and people to heighten the independent and masterly spirit and that of self-reliance to expand the victories scored in the past. He also appealed to all to continue to advance along the path worked out by the fifth party congress and the second national conference of cadres and move toward successfully implementing major political tasks set by the ninth and 10th sessions of the party Central Committee.

Editorial Marks Party's Founding Anniversary

BK2706090990 Phnom Penh Domestic Service in Cambodian 2300 GMT 26 Jun 90

[Station editorial: "The Kampuchean People's Revolutionary Party is the Sole Leader of the Cause of National Defense and Construction"]

[Text] This year, the entire party, Armed Forces, and people are joyfully marking the 39th founding anniversary of the glorious Kampuchean People's Revolutionary Party [KPRP] with feelings of pride over the all-around immense victories that we achieved in the past years in implementing the KPRP's strategic goals.

Thirty-nine years ago, on 28 June 1951, the Khmer People's Revolutionary Party, which is currently the Kampuchean People's Revolutionary Party, was born and had expanded the glorious revolutionary traditions of the Indochinese Communist Party [ICP] which was set up and trained by President Ho Chi Minh.

Thanks to their valiant and courageous spirit, daring to make all kinds of sacrifice for the cause of the motherland, by constantly preserving the tradition of solidarity with the Vietnamese and Lao cadres, party members, Armed Forces, and peoples—and particularly by closely cooperating with the Vietnamese cadres, party members, and volunteer troops—cadres, party members, Armed Forces, and people defeated all the aggressive acts of the French colonialists, Japanese militarists, U.S. imperialists, and their lackeys. They lately smashed and toppled the bloodthirsty Democratic Kampuchean regime of the Pol Pot-Ieng Sary-Khieu Samphan clique, thus ushering in the genuinely bright light of the era of independence, freedom, and the right to mastery of the Cambodian people throughout the country on 7 January 1979.

On this basis, the Cambodian cadres and party members who survived the massacre by the genocidal Pol Pot regime had gathered together and decided to rebuild the party to render successful the noble traditions of the Khmer People's Revolutionary Party which was born from the ICP. They have restored and firmly strengthened the strategic alliance of the three fraternal parties of Cambodia, Vietnam, and Laos.

For more than the past decade, the KPRP has become the top leading organ and, continuing to hold aloft the banners of pure patriotism and brilliant internationalist solidarity, has been able to mobilize the entire party, Armed Forces, and people to actively take part in carrying out the national defense and construction, thus enabling the motherland to advance constantly.

Under the beacon of the resolutions of the fourth and fifth party congresses, together with the immense forces of cadres and party members and the people's love and trust, and with the assistance of the CPV [Communist Party of Vietnam] and the parties of the fraternal socialist countries, the KPRP has developed in all fields, politically, ideologically, and organizationally. As a matter of fact, all political and economic sectors and all units of the Armed Forces have set up their own party organizations.

The party has become closely linked to and taken a deep root among the masses. It has become a reliable support for the people. The people have confidence in the party's clear-sighted and correct leadership. The people have been able to expand their right to mastery and, with a sense of self-reliance, have taken part in national defense and construction, bringing all-around changes and progress to the motherland. This has facilitated all Vietnamese volunteer troops to return home on 26 September 1989. This has brought the Cambodian motherland to a historic turning point, a period in which Cambodia's own forces must take full responsibility for all national tasks.

In this period, under the leadership of the KPRP, our people have actively and successfully implemented all the party-state goals with a lofty sense of responsibility for the national destiny. This is proven by the resounding victories won on the battlefields along the western border of the motherland. They are now vigorously carrying on the emulation movement, implementing the important tasks for 1990 by collectively directing their activities in line with the slogan: Everything for the battlefield; everything for enhancing the people's trust in the new regime.

At present, the Cambodian motherland is in a state of superiority and victory. The prestige of the State of Cambodia is soaring higher in the international arena. Meanwhile, our enemies are suffering serious defeat and are heading toward total doom. However, they have not abandoned their perfidious maneuvers in waging an undeclared war in an attempt to topple us. Particularly, in the period in which fighting and negotiation go in tandem and when Cambodia's own forces must take full responsibility for the nation's tasks and destiny, the enemies have resorted to various forms of perfidious tricks in an attempt to effect their strategic scheme.

In the face of the tense and complex struggle under the current new circumstances, the party's leading role and building require much more effort than before to further consolidate and strengthen the party's all-around leadership and ensure its leading role in all situations and under all circumstances.

To achieve these sacred tasks, cadres, party members, combatants, and people must continue their efforts to build the party even more firmly in all aspects, politically, ideologically, and organizationally. It is imperative to more vigorously improve the party's leading role as the core, because the party is the sole leader in the cause of defending and building the Cambodian motherland and the vanguard of the working class and the laborers who live and work for the interests of the entire Cambodian people. Enhance national pride, the sense of responsibility for the motherland and the people, and the sense of mastery and self-reliance. Strengthen unity within the party and among the Armed Forces and the people. Mobilize all forces to brave all difficulties and shortcomings. Strive to accomplish all political tasks according to the policies set by the fifth party congress, second national congress of party cadres, and the party Central Committee's ninth and tenth sessions.

In this period, we must see through the unchanging rainy-season schemes of the enemies. In such a situation, we must strive to surmount all obstacles to fortify our situation and our stability.

Foreign Officials Greet CPAF Anniversary

SRV Minister's Message

BK2706040490 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Jun 90

[Text] On the 39th founding anniversary of the Cambodian People's Armed Forces [CPAF], Comrade General Doan Khue, deputy defense minister and chief of the General Staff of the Vietnamese People's Army [VPA], conveyed greetings to his Cambodian counterpart, Comrade Lieutenant General Pol Saroeun. The message reads:

During the past 39 years, the Cambodian people and the CPAF have overcome a great many obstacles and have won glorious victories in their revolutionary struggle to wrest back independence and freedom for the Cambodian motherland. The cadres and combatants of the VPA are extremely delighted with the past great achievements scored by the Cambodian people and Armed Forces.

On the occasion of the this wonderfully victorious anniversary, may the CPAF develop and strengthen with each passing day in order to defend its revolutionary gains and beloved motherland; may the special relations of friendship and militant solidarity between the two peoples and armies further expand and consolidate; and may you, comrade, have the best of health, happiness, and new, still greater successes in the performance of your noble tasks.

Yazov Greets Tie Banh

BK2806074690 Phnom Penh Domestic Service in Cambodian 0430 GMT 28 Jun 90

[Text] Comrade General Tie Banh, defense minister of the State of Cambodia, recently received a greetings message from Comrade General Yazov, defense minister of the USSR. The message says in essence:

On the occasion of the traditional Cambodian Armed Forces day, please accept our warmest congratulations. We wish you good health, happiness, and great successes in your responsible tasks to strengthen the capability to defend the country.

Bulgaria Sends Greetings

BK2606135190 Phnom Penh Domestic Service in Cambodian 1200 GMT 26 Jun 90

[Text] On the occasion of the 39th founding anniversary of the Cambodian People's Armed Forces, Comrade Army General Dzhurov, defense minister of the People's Republic of Bulgaria, has sent a greetings message to Comrade General Tie Banh, defense minister of our State of Cambodia. The message said, among other things:

On the 39th founding anniversary of the State of Cambodia's Armed Forces, I would like to extend fraternal and sincere greetings to you on behalf of the combatants of the Bulgarian People's Army and in my own name. The Bulgarian combatants would like to extend to the Cambodian comrades-in-arms their sincere salutations and best wishes for success in improving the military front.

On the occasion of your army's founding anniversary, I wish you good health and new victories in your noble mission.

Polish Minister's Message

BK2806065690 Phnom Penh Domestic Service in Cambodian 0430 GMT 27 Jun 90

[Text] Comrade General Tie Banh, defense minister of the State of Cambodia, recently received a greetings message from his Polish counterpart Comrade General Florian Siwicki. The message reads:

On behalf of the Polish combatants and Defense Ministry and in my own name, I would like to extend to you the warmest greetings on the 39th founding anniversary of the Cambodian People's Armed Forces [CPAF]. May you achieve successes in the building up of the CPAF so as to firmly defend your country.

We are confident that the fruitful relations between Poland and Cambodia will further develop for the cause of peace and our indispensable cooperation.

Hun Sen Receives Foreign Guests 27 Jun

BK2806122290 Phnom Penh SPK in English 1059 GMT 28 Jun 90

[Text] Phnom Penh SPK June 28—Hun Sen, chairman of the Council of Ministers and minister for foreign affairs of the State of Cambodia, received in Phnom Penh Wednesday [27 June] Pascal Paret, representative of Lyon City (France), and Jean Bastiste Richardier, co-president of the International Organization of the Handicapped [IOH], who are on a visit to Cambodia.

Speaking to his guests, Chairman Hun Sen expressed his joy at the fine growth of the bilateral relationship and cooperation between the two cities, Phnom Penh and Lyon. He briefed them on the current political situation in Cambodia, the position of the State of Cambodia after the Tokyo meeting, and particularly the difficulties and urgent needs of the Cambodian people, victims of the war caused by the Polpotists and other Khmer reactionaries.

Chairman Hun Sen thanked the IOH for its aid to the Cambodian people.

For his part, Pascal Paret thanked Chairman Hun Sen for having facilitated his visit to Cambodia. He informed Chairman Hun Sen of a project of assistance of Lyon for the Cambodian people, particularly the city of Phnom Penh.

Jean Bastiste Richardier, on behalf of the IOH, pledged continued aid to the Cambodian people, especially the supply of technical and medical equipment to the "April 17" Hospital in Phnom Penh.

SRV Reportedly Orders Transfer of Tie Banh

BK2806042090 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 27 Jun 90

[Text] In the wake of the arrests ordered by the Vietnamese enemy aggressors and the traitorous puppet Hun Sen of more than 10 senior puppet officials and over 2,000 Army officers, workers, and low-ranking officials, traitorous puppet Tie Banh has come under investigation for allegedly being against Puppet Hun Sen and attempting to eliminate the latter's clan.

Uncertain over the issue, the Vietnamese enemies recently ordered traitor Hun Sen to transfer traitor Tie Banh to Kompong Thom. Along with this, armed units of traitor Tie Banh, established to defend their last lair in Phnom Penh, have been also removed to the province.

Traitor Tie Banh's faction burns with a low blue flame at the activities undertaken by traitor Hun Sen's clan. It is constantly worried because traitor Hun Sen is the Hanoi authorities' longstanding confidant. The Vietnamese enemies continue to wonder whether or not traitor Tie Banh is their proxy.

To date, traitor Tie Banh has marshaled a number of senior puppet officers from the 5th Division in Rovieng, Preah Vihear Province, who have opposed Hun Sen over the issue of supplying ammunition, provisions, and fuel, and who were upset at Hun Sen's scolding them for mismanagement, causing troops to continuously break loose. Moreover, Tie Banh has gathered a great many senior officers of the Phnum Srok-based 179th Division whose commander was arrested by Hun Sen's clan. This arrest was made in retaliation against Tie Banh's gang.

The issue of cracks within the inner circles of traitors Hun Sen, Heng Samrin, and Tie Banh cannot be concluded easily. Instead, it is expanding.

The entire Cambodian people have become more united than ever with the Cambodian national resistance forces battling the Vietnamese enemy aggressors, with a view toward fighting off and decimating the Vietnamese lackey puppet Hun Sen-Heng Samrin regime until achieving ultimate victory.

VODK Responds to Tran Quang Co's Statement

BK2706075190 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 26 Jun 90

[Station commentary: "Vietnam Can Never Disguise the Issue of Its Aggression Against Cambodia With Hundreds of Thousands of Its Troops by Encroaching the Principle of the UN Charter and the International Relations Law"]

[Text] On 22 June, the Vietnamese press agency carried Vietnamese Deputy Foreign Minister Tran Quang Co's interview on the recent Sino-Vietnamese talks and the Cambodian problem. With respect to the Cambodian troops and administration pending election, Tran Quang Co said: Vietnam cannot solve this issue because it is Cambodia's internal affair.

The comment clearly shows that Vietnam is not willing to settle the Cambodian problem with a just and definitive comprehensive solution. It also shows that Vietnam remains adamant on preserving the puppet regime so that it can hide and keep some 100,000 Vietnamese troops as well as some 50,000 Vietnamese officials to continue to occupy Cambodia in compliance with Ho Chi Minh's Indochinese federation strategy.

The excuse presented by Tran Quang Co is unacceptable to the world. A question is raised: If Vietnam cannot meddle in the other people's business as Tran Quang Co has said, why did it send more than 200,000 troops to attack and invade Cambodia in late 1978? By all accounts, Vietnam can neither deny nor forget this.

For 11 sessions, the UN General Assembly has adopted resolutions condemning Vietnam, and it has branded Vietnam as an arch criminal invading Cambodia and murdering the Cambodian people. As for the Phnom Penh regime, it is just a ramification of Vietnamese aggression. First, the regime is illegal and was propped up by Vietnam in the wake of its attack, invasion, and occupation of Cambodia. Second, within the puppet Phnom Penh regime, there are 50,000 Vietnamese officials who run and control the puppet administration under the protection of some 100,000 Vietnamese troops, as well as over 1 million Vietnamese settlers who have been continuously sent to take refuge in Cambodia since 1979.

Is it really disputed whether these matters are also Cambodia's internal affairs? No. Absolutely not. The issues are related to Vietnam's aggression against Cambodia and to its destruction of Cambodia's independence, sovereignty, and territorial integrity, as well as to the Cambodian people's rights to self-determination in violation of the principle of the international law and UN charter. Therefore, the Cambodian problem can be resolved only with the settlement of these issues, meaning Vietnam should remove all its aggressor forces—including the 100,000 Vietnamese troops wearing the puppet army uniforms, the 50,000 Vietnamese officials within the puppet administration, and over 1 million Vietnamese settlers—from Cambodia under the effective verification of a UN international control mechanism in conjunction with the four Cambodian parties.

If Vietnam refuses to discuss the issue of Cambodian troops and administration, this means that Vietnam does not agree to genuinely withdraw its aggressor troops and forces from Cambodia. By all appearances, the Hanoi authorities' position on the Cambodian problem has not changed in the least. They want to occupy Cambodia in accordance with the Indochinese federation strategy of Ho Chi Minh's Indochinese Communist Party.

Indonesia

Alatas, Japanese Minister Discuss Beijing Talks

BK2806011290 Jakarta Domestic Service in Indonesian 0000 GMT 28 Jun 90

[Text] The final process in the normalization of diplomatic ties between Indonesia and the PRC will be held in Beijing next week. Foreign Minister Ali Alatas disclosed this to his Japanese counterpart Taro Nakayama when the two ministers met in Tokyo yesterday. Alatas said in his upcoming talks with PRC Foreign Minister Qian Qichen in Beijing, efforts will be made to find a suitable time to normalize diplomatic ties between the two countries, frozen since 1967. Alatas noted there no longer are technical obstacles to this.

The process to normalize Sino-Indonesian diplomatic ties began in February 1989 when President Suharto was in Tokyo for the funeral of Emperor Hirohito and held talks with PRC Foreign Minister Qian Qichen. During the talks with Nakayama, Alatas expressed his appreciation for Japan's initiative in helping to solve the Cambodian problem by hosting a peace conference recently in Tokyo.

Armed Forces Ready To Back Suharto Reelection

BK2706105190 Jakarta THE JAKARTA POST in English 20 Jun 90 p 1

[Text] Jakarta (JP)—The Armed Forces (ABRI) will support President Suharto's re-election in 1993 provided the 69-year-old leader feels he is strong enough to lead the nation.

The chief of staff for ABRI socio-political affairs, Lt. Gen. [Lieutenant General] Harsudiono Hartas, said in an interview with Editor news magazine that for ABRI the most important thing was the continuation of national development. ABRI believes that Suharto would be strong enough to lead the nation through his sixth consecutive term starting 1993, he said.

"If Pak Harto feels he is strong enough, please go on," he said as quoted by the magazine in this week's issue. Pak (Father) Harto is the name Indonesians use to refer to the head of state who has led the country since 1967.

Hartas said Suharto had demonstrated his capability in unifying developing countries, besides his capability to win friends among the nations of the world.

Hartas added that before the ABRI would officially nominate Suharto for the sixth term, it would discuss the matter with him.

In case the President would react negatively ABRI would tell him that it had other candidates. But before posing this question ABRI would ask the President who would be his own candidates, Hartas said. He added that "this is the way the Oriental people do things."

Hartas also said that ABRI was now ready with alternative candidates. The general said he had no idea who they were, however.

"At least we have made up our mind," he said. He added that ABRI wanted someone whose capability was close to that of Suharto. "One knows the late president Sukarno's and Suharto's leaderships, the history of the Indonesian struggle and the ups and downs of the national development," Hartas added.

Asked whether his statement was the official attitude of the armed forces," Hartas said that ABRI wanted everything done in line with the national constitution and the rule of the game. "This is the way ABRI gives political education to the people," he said.

Suharto said in his autobiography, which was published here last year, that the current term might be his last because in 1993 he would be 73.

Twenty-one Muslim scholars last year voiced their supports for his re-election in 1993 and the step has since been followed up by other ulemas in East Java. The signatories of the statement said that they told Suharto about their support last year, but it was leaked to the press only recently.

Hartas said that making preliminary statements supporting certain candidates for the president of the republic was not a part of the country's political system.

Defense Minister Meets SRV's Vo Nguyen Giap

BK2606131190 Jakarta Domestic Service in Indonesian 1200 GMT 26 Jun 90

[Text] L.B. Murdani, minister of defense and security, received a courtesy call from General Vo Nguyen Giap, vice chairman of the Socialist Republic of Vietnam Council of Ministers, at the former's office in Jakarta today. During his meeting with Minister L.B. Murdani, Gen. Vo Nguyen Giap called on Indonesia to join in the efforts to create stability and peace, as well as to implement programs of mutual benefit. He said that while efforts are being made to improve national stability in his country, Vietnam learned much from Indonesia's experiences in national development.

Laos

Nouhak Phoumsavan Opens SPA Plenary Session

BK2506153390 Vientiane Domestic Service in Lao 1400 GMT 25 Jun 90

[Text] The fourth plenary session of the Second Supreme People's Assembly [SPA] was convened this morning to study, deliberate, and endorse the drafts of five laws. Namely, these are the draft law on ownership, the draft law on inheritance, the draft law on contractual obligations, the draft law on court fees, and the draft law on the establishment of the bank of the Lao People's Democratic Republic.

The session was chaired by Nouhak Phoumsavan, member of the party Central Committee Political Bureau and chairman of the SPA. It was attended by high-level party and state leaders, namely Phoumi Vongvichit, member of the party Central Committee Political Bureau, acting president of state, and chairman of the Lao Front for National Construction Central Committee; Phoun Sipaseut, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and foreign minister; Sisavat Keobounphan, member of the party Central Committee Political Bureau, secretary of the party committee, and chairman of the administrative committee of Vientiane municipality; Maichantan Sengmani, member of the party Central Committee and head of the party Central Committee Party-State Inspection and Control Board; Oudom Khatthi-gna, alternate member of the party Central Committee Political Bureau and head of the party Central Committee Organization Board; Choummali Sai-gnason, alternate member of the party Central Committee Political Bureau and first deputy minister of national defense; and standing members and representatives of the SPA from many regions.

In his opening speech delivered at the session, Nouhak Phoumsavan pointed out the necessity and importance of the endorsement of the said civil acts, which reflect the relationship of members of our society regarding material property, aimed at regulating daily life in society, bringing peace and order to society, enhancing the right to mastery of the multiethnic people, and ensuring the implementation of the party's line and policy on transforming the natural economy into a goods-monetary economy. They are also aimed at elevating the level of efficiency of civil relations among the state, collective, and social organizations; between organizations and individuals; and among persons.

Regarding the draft law on ownership, Nouhak Phoumsavan said: Our party and state adopted a plan to safeguard, protect, and develop the various economic sectors through various forms and measures to adequately utilize all potentials of all individuals and material property in the production of goods. Regarding individual persons and organizations, the issue of ownership is an excellent thing. It is the foundation of life of our people. One can feel secure in earning his living only when his right to ownership is protected by law.

The state has enacted the law on contractual obligations in order to protect all contractual obligations so as to consolidate the exchange of property among citizens in their daily life. The law spells out effective contractual conditions, such as the signing of contractual obligations, the implementation of contractual obligations, the responsibility of the violators of contractual obligations, and so forth. The draft law on inheritance spells out conditions on the transfer of property of the deceased to the living. It stipulates the rights of ownership of different inheritors to the property and heritage left behind by the deceased.

The meeting will continue for three days. The participants will hear a report on the details of the draft civil laws presented by the minister of justice. They will then deliberate and make recommendations on the draft laws before officially endorsing them through a resolution.

Leaders Receive Message of Thanks From DPRK

BK2706103590 Vientiane KPL in English 0903 GMT 27 Jun 90

[Text] Vientiane, June 27 (KPL)—Kaysone Phomvihan, chairman of the Council of Ministers, Nouhak Phoumsavan, president of the People's Supreme Assembly and Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs of the Lao PDR [Lao People's Democratic Republic] recently received a joint message of thanks from Yang Hyong-sop, president of the Standing Committee of the People's Supreme Assembly, Yon Hyong-muk, prime minister of the administrative council and Kim Yong-nam, vice prime minister of the administrative council and minister of foreign affairs of the Democratic People's Republic of Korea [DPRK].

The message expressed thanks to the Lao leaders for their congratulations to the leaders of the DPR of Korea on the appointments to their posts.

The message stressed "We hope that the friendly relations and cooperation ties between our two countries be further strengthened and developed."

It also wished the Lao leaders good health and success.

Philippines

Government Reacts to U.S. Peace Corps Decision

Aquino To Order Probe

HK2806114790 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 28 Jun 90

[From "GMA News" program—no video available]

[Text] President Corazon Aquino today promised to order an investigation into alleged threats against Peace Corps volunteers. At a farewell call by the volunteers, the president expressed sadness over a decision to suspend the program in the country. However, she voiced hope that the volunteers will return to the country one day.

[Begin Aquino recording in English—in progress] ...its best efforts to look deeper into the alleged threats on the lives and security of Peace Corps volunteers. Such efforts will be unceasing and continuing until we shall have crushed our enemies [words indistinct]. Our government will never allow the disciples and supporters of violence and godless ideology to triumph in our land. [end recording]

Ramos, Biazon Comment

HK2806093990 Manila Radio Veritas in Tagalog 0800 GMT 28 Jun 90

[By Jonathan Cristobal from Camp Aguinaldo]

[Text] The U.S. decision to recall all Peace Corps volunteers serving in the country was described as hasty, and the move was taken without consultation with the Philippine Government or the Armed Forces. This was the reaction of Defense Secretary Fidel Ramos to the U.S. suspension of the Peace Corps program in the country as well as its decision to recall all 261 volunteers to the United States following consultations with the White House and the State Department.

In an interview with newsmen at the First Defense and Ammunitions Fair at the Philcite Hall where he was the guest speaker, the defense secretary described the U.S. move as hasty. He further said that it was taken without formal consultation with any concerned agencies of the Philippine Government. Instead, the authorities learned of the move through an informal announcement of the U.S. embassy. [Ramos recording indistinct]

Meanwhile, Armed Forces vice chief of staff Major General Rodolfo Biazon stressed that the incident would lead to a negative view of the true security situation in the Philippines. In a separate interview, Biazon said that the CPP-NPA [Communist Party of the Philippines-New People's Army] has not issued any solid and specific declaration against the U.S. Peace Corps volunteers. Instead, its declaration has been directed against American nationals in general. The general also saw no basis to link the U.S. move with the abduction of Japanese volunteer worker Fumio Mizuno in Negros Occidental more than a month ago.

Earlier, leftist rebels warned that they would not hesitate to target U.S. and Japanese nationals who they claimed are being used by the Aquino government in the counterinsurgency campaign against the CPP-NPA.

Biazon said the U.S. Government is free to do as it pleases with its nationals, but he reiterated that the military and the police forces are doing everything to ensure the security of U.S. and other foreign nationals in the country.

Gomez Regrets Pullout

HK2806042790 Baguio City Mountain Province Broadcasting Company in English 0230 GMT 28 Jun 90

[Text] Press Secretary Tomas Gomez III says the administration regrets the pullout from the provinces of the U.S. Peace Corps volunteers. The U.S. government recalled the volunteers from their work sites because of threats made by the NPA [New People's Army] against them. Gomez said that the U.S. government's decision should not be seen as a gauge of Washington's loss of confidence in the Aquino administration.

Security Briefing Held

HK2806075190 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 28 Jun 90

[By Rey Arquiza from the Department of Foreign Affairs]

[Text] The Department of Foreign Affairs [DFA] today summoned the security officers of all foreign diplomatic missions in the country for a security briefing on the current security situation in the country. Aside from diplomatic missions, others also called to the meeting were representatives of United Nations agencies and of international organizations. Resource speakers included the commanding generals of the Philippine Constabulary [PC], Capcom [Capital regional command], and PC-INP [Integrated National Police] chief of intelligence.

The briefing this afternoon is unusual as DFA sources revealed that its agenda tackles the security measures to be adopted by the diplomatic missions in case of emergency or of a coup d'etat. The timing of the security briefing also arouses suspicion in view of the U.S. State Department's decision to withdraw all Peace Corps members due to the abnormal situation in the Philippines. While no reason was given for the withdrawal and suspension of Peace Corps operation in the country, DZRH has learned that the move was prompted by alleged reports that Peace Corps members have been targetted by the New People's Army for abduction and assassination.

Presidential Aide Views Phaseout of U.S. Bases

HK2806090990 Hong Kong AFP in English 0821 GMT 28 Jun 90

[Text] Manila, June 28 (AFP)—A senior aide to President Corazon Aquino said Thursday that U.S. bases in the Philippines should be phased out over five to 10 years because local forces cannot quickly replace their external-defense functions. Presidential security adviser Rafael Ileto, a retired army general and diplomat, told foreign reporters a sudden pullout of the bases would create a vacuum which "cannot easily be filled with our existing forces."

Mr. Ileto suggested a phase-out period of five to 10 years after the bases' lease expires on September 16, 1991, saying that to remove the bases immediately "is not for the interest of both countries."

The bases issue has split the government, while the military establishment is wary of an immediate pullout. Defense Secretary Fidel Ramos has called for their removal in 1998, the 100th anniversary of the Philippine republic, while senators vow to block approval of any new bases treaty.

Mrs. Aquino has not said whether she will allow Clark Air Base, Subic Naval Base and four smaller installations—the largest U.S. military complex overseas—to stay beyond the cutoff date.

Mr. Ileto, noting that the 1987 Philippine Constitution bans any foreign bases after 1991, said one way of going around this prohibition was to have a "phased withdrawal" or a "withdrawal process" for the facilities. "It's one way of circumventing it. I don't know if they'll use that word."

He said building up the country's air and naval forces to replace Clark and Subic may take five to 10 years and cost more than the 200 million dollars a year in military aid which Manila gets as compensation for hosting the bases. "It will dig deep in our own budget," Mr. Ileto said.

He said he felt that once the bases were removed, the Americans would also stop giving aid despite the absence of an outright linkage between the two. "I guess we have been used to joint defense of this country from external forces, external aggression," he said. "If all of a sudden all these other allied forces pull out, we must be prepared to handle it ourselves, but we do not have that much at this time." Mr. Ileto said that with or without U.S. help, the Philippines will have to improve its external-defense capability "and how we will do it is something that only time will tell."

The Philippine Navy and Air Force have lately been vocal about the need to modernize their forces, putting greater pressure on the government budget, 40 per cent of which already goes to repaying foreign and domestic debts.

Anti-Bases Demonstration Held at U.S. Embassy

HK2806113790 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 28 Jun 90

[From "GMA News" program]

[Text] An anti-bases demonstration was held by the 1 May Movement [KMU] in front of the U.S. Embassy. The 50 KMU members were stopped by the Western Police District's crowd control squad in the middle of Roxas Boulevard. However, they were allowed to stage a short program.

The demonstrators denounced the continued presence of U.S. military bases in the country and condemned the Aquino government for approving their continued stay.

USSR Seeks Permission To Conduct Research

HK2706113990 Manila THE MANILA CHRONICLE in English 26 Jun 90 p 6

[Text] The Soviet Union has asked for Government permission to send a plane and several ships here to conduct weather research within the country's 200-mile economic zone. The research is intended to improve the forecasting of typhoons and reduce the damage they bring, according to V.M. Zakharov, deputy chairman of the Soviet Union's State Committee for Hydrometeorology.

Zakharov made the request in a letter to Ambassador Juan Saez in Moscow last May. Saez forwarded the letter to the Department of Foreign Affairs [DFA]. "The experiment will allow the improvement of typhoon track forecasting, especially anomalous tracks of their movement... it would also study sudden variations in typhoon movement (in order to) increase the effectiveness of measures to minimize typhoon damage," Zakharov wrote.

Sources at the DFA said the Soviet request was sent to the intelligence office of the Armed Forces of the Philippines as well as the Air Transport Office which, in addition to the DFA, will draw up a recommendation.

In exchange for the permission to conduct the research, Zakharov offered Filipino scientists a chance to participate in the project on board the vessels and laboratory aircraft, IL-18 "DC." Zakharov said the experiment included study of three to four typhoons so the plane would fly over the Philippines for about 20 to 25 days.

He also asked that the plane be allowed to land at the Manila and Cebu airports for refuelling and maintenance work.

The request, according to the Soviet official, was an offshoot of an agreement between the Philippines and the Soviet Union to "establish bilateral scientific and research cooperation."

Cabinet Holds Workshop on Kabisig Program

HK2706110390 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 27 Jun 90

[From "GMA News" program]

[Text] The cabinet held an all-day workshop and orientation on the Kabisig [Partnership] program. At the meeting, the president said that she will meet with congressional leaders next week to discuss ways for them to help the movement. According to the president, the Congress, like the private sector, is a partner of the government in promoting national development.

At the orientation meeting today, two kinds of Kabisig members were identified: the voices of the movement or those who support the movement, and the muscles of the movement or those who are engaged in actual implementation of Kabisig programs.

Applicants for Kabisig membership may contact the Kabisig secretariat.

Meanwhile, Senator Heherson Alvarez today proposed a funding scheme for Kabisig which will not require use of government funds. According to the senator, he supports the movement but stresses the need to give due consideration to the laws. He recommended the involvement of the private sector in raising funds for the movement.

[Begin Alvarez recording in English] I think it could be funded on the basis of voluntarism. If there are some devices whereby voluntary private organizations can raise their own funds, and if we couple this with funds that are extended by public institutions that are well accounted, I think it will strengthen many of our efforts for social change. [end recording]

In a related development, the House of Representatives today asserted its independence from Malacanang. It arrived at this decision in a caucus earlier today that was attended by leaders of the Struggle of Philippine Democrats, Liberal Party, opposition party, and sectoral representatives.

However, the caucus failed to reach an agreement on whether to support the Kabisig movement. Instead, the House approved a resolution to support any organization which will speed up implementation of government programs. The resolution also stipulates that the lower chamber also supported the statement by Speaker Ramon Mitra where he condemned the Kabisig movement.

[Begin Mitra recording in English—in progress] ...that at this point in time, we find no necessity in joining the Kabisig as a party and also individuals because we belong to our respective political parties and the objectives of the Kabisig have not yet been fully clarified. We do not know what it is. We do not know what it hopes to achieve, and we do not know if they will continue to exclude the barangay, the municipal, and the provincial officials as well as the members of both houses of Congress. [end recording]

Requirements Issued

HK2806040190 Quezon City Radyo ng Bayan in Tagalog 0130 GMT 28 Jun 90

[From "Malacanang Information Service"—in English]

[Text] Malacanang yesterday released the requirements for membership in the Kabisig [Partnership], a political movement launched by President Aquino last independence day. In a primer on the movement, it was stated that there are two phases in a person's involvement in Kabisig. The first phase involves the adoption of the Kabisig way of life, while the second phase is the formal membership in the national people's movement.

The first phase involves the following steps: First, a person involved must believe in the Kabisig's vision that people must be concerned about the welfare of their fellowmen and join hands with others actively involved in working out solutions and putting these solutions to work. Then he or she must live the Kabisig way of life by initiating or participating in community-based projects, either individually or with a group.

The second phase, which is formal membership in the movement, is accomplished by getting in touch with a Kabisig activity and filling out a membership form. He or she will then go through an orientation. After this, he can take part in various programs and projects that the government is implementing in the Kabisig way.

The primer also states that formal affiliation in the Kabisig will not yield any personal gain, except for the opportunity to use skills while taking an active part in the implementation of programs designed to benefit the greater number of Filipinos.

As already explained by the president, the Kabisig will have two types of members: the bisig [arm] and the tinig [voice]. The tinig ng kilusan [voice of the movement] will be the advocates, who through their words and writings promote the Kabisig. The bisig ng kilusan [arm of the movement], on the other hand, will be those directly involved in implementing Kabisig programs and projects.

Aquino Makes Statement on Kabisig, Other Issues

HK2806094990 Manila Radio Veritas in Tagalog 0800 GMT 28 Jun 90

[Text] President Aquino will convene political leaders in Congress to explain the Partnership movement to them next week. In other issues, she also denied reports that the Young Officers' Union [YOU] has infiltrated the Presidential Security Group. At the same time, she reported that formal charges against Philippine Airline [PAL] officials implicated in irregularities in the airline will be known tomorrow.

The president's statement was read by Press Secretary Tomas Buddy Gomez.

[Begin recording in English—in progress] ...Aquino is glad that Speaker Ramon Mitra and the members of the House of Representatives are open to being clarified on the structures and guidelines of Kabisig [Partnership] prior to deciding on whether or not to join the movement. President Aquino will meet with Speaker Mitra and other leaders of Congress on Wednesday, July 4th 1990. At that time, we should be able to resolve this matter satisfactorily.

The YOU group is actually only a handful of young rebels in the military. The latest claim is largely part of their continuing propaganda efforts. Colonel Voltaire Gazmin assured the president that the Presidential Security Group has not been infiltrated by the YOU.

Solicitor General Chavez reported that the examination of PAL documents to support the charges is still going on and the formal charges might be served on the respondents tomorrow. The respondents will have five days from receipt of the charges to answer them. Thereafter, the charges and answers will be referred to investigating committees composed of the Department of Justice and Office of the President lawyers who will submit their findings and recommendations to the Philippine Airlines board.

NPC [National Power Corporation] President Aboitiz has been submitting daily power supply situationers to the Office of the President. He had never said that there will be no brownout in June. Daylight savings time will most likely remain in force up to the end of August as fixed in the memo that the president issued. [end recording]

Ramos Reports Truce Between Sulu Warring Clans

HK2806095190 Manila Radio Veritas in Tagalog 0800 GMT 28 Jun 90

[By Jonathan Cristobal]

[Text] The two warring Muslim families in Mindanao have finally agreed to talk with each other and reach a peaceful resolution of their conflict. This was reported by Defense Secretary Fidel Ramos today. He added that a negotiating team under the OIC [officer in charge] governor of Sulu has been formed to spearhead the peace and reconciliation process.

Ramos explained that while the family of Sulu Vice Governor Kimar Tulawe and that of Jolo Mayor Suud Tan have agreed to a cease-fire, a full resolution of the conflict may take a long time.

Bloody and intense fighting between the private armies of the two families erupted when the Tulawe family allegedly raided the house of Mayor Tan to arrest a policeman, identified as Utal Hairal. The policeman, a bodyguard of Tan, was allegedly involved in the killing of the vice governor's brother and two cousins.

Ramos said that the government is presently investigating the matter to identify the principal parties responsible for the incident. The department of social welfare and development, aided by the military, is also providing assistance to the victims of the violent fighting. According to Ramos, some 350 houses were burned during exchange of mortar fire between the two sides. Some 15,000 to 18,000 persons were affected by the fire. Moreover, seven were killed while eleven to twelve others were wounded. [Ramos recording indistinct]

Official on 'Backward' State of Agriculture

HK2706113190 Manila THE MANILA CHRONICLE in English 26 Jun 90 pp 1, 7

[Text] The country's "anti-agriculture" economic and fiscal policies have made its agricultural development program the most backward in Southeast Asia, a ranking agriculture official admitted yesterday. Dr. Bruce Tolentino, undersecretary for planning of the Department of Agriculture [DA], also blamed the previous administration for "bleeding agriculture dry" during its last five years.

Ari Sebyo Wiboro, a visiting Indonesian agricultural economist, had criticized Philippine agriculture as backward citing, among others, the country's failure to be self-sufficient in rice production and its practice of importing rice even from countries like Vietnam. "I can only agree," Tolentino told the CHRONICLE.

At a time when other Southeast Asian countries were improving their agricultural economies, Tolentino said government policies remained biased against agriculture. Tolentino said that up to the present, the country's policies on trade, tariff, tax and fiscal expenditures continue to stunt agricultural growth. For instance, he said, agricultural products, which constitute the bulk of the country's exports, could hardly compete in the world market because of our distorted exchange rate policy.

The DA had called for the depreciation of the peso to strengthen the country's exports, along with other reforms such as the reduction of government spending and improvement of tax collection to reduce the budget deficit. A DA policy paper, titled "A Strategy for Rural Development," blamed the country's "economic managers" for choosing "to finance our trade deficit and defend the exchange rate by borrowing abroad rather than by increasing our exports."

Tolentino also noted the concentration of infrastructure projects in urban areas. He said these should be in the countryside to attract more investors. "Look at the BOI (Board of Investments) lists and you will find that there are more incentives (for investors) in the urban areas," he said.

The DA study showed that public expenditures for agriculture averaged only 10

of the total gross domestic product from 1980 to 1989. It said that for every P [Peso]100 contribution to the economy, the sector only received P10 in the form of government spending.

Tolentino said the government's refusal to increase the prices of farm products has discouraged agricultural production. In fact, he said that Philippine rice is the cheapest in the world. In Japan, rice is sold at P75 per kilo and about P10.50 per kilo in Thailand.

Tolentino also deplored the government's budget for agricultural research. "We are spending even less than Bangladesh," he said. Among five key agricultural countries in the region, the Philippines ranks the lowest with only 0.16

of its GDP [Gross Domestic Product] spent for agricultural research. India uses 0.44

of its GDP while Bangladesh spends roughly 0.48

of its GDP, Tolentino said.

YOU Leader Reports Increase in Recruits

HK2806015990 Manila THE MANILA CHRONICLE in English 28 Jun 90 p 6

[By staff member Manny Mogato]

[Text] At least 1,000 young and junior military officers have already joined the clandestine Young Officers' Union (YOU) since December last year and have been organized into some 200 political "collectives," according to a leader of the shadowy rebel group. The rebel leader, known only as Capt. [Captain] Carlos Maglalang, also said their group planned to double the number of their "political collectives" this month by increasing the number of recruits by at least a thousand more.

Maglalang's claim was supported by a two-page document distributed to media yesterday inside military camps in Metro Manila. But the military dismissed the document as "merely propaganda materials to boost the rebels' image."

Loyal military officers consider the YOU as nonexistent, a spin-off of the discredited Reform the AFP [Armed Forces of the Philippines] Movement (RAM) and Soldiers of the Filipino People (SFP) whose capability "lies in propaganda."

The document said the YOU has members in at least 45 provinces except in at least 10 camps in Metro Manila. In Bicol, the YOU claimed it had organized 21 collectives with some five members each. Benguet, including the Philippine Military Academy (PMA) in Baguio City, had a dozen collectives while 11 collectives were organized in Quezon province alone.

The group also boasted tc have established "cells" at the defense department, the elite Presidential Security Group (PSG) in Malacanang, and even the police organization. The document, however, showed that the YOU had failed to organize in Muslim-dominated provinces like Sultan Kudarat, Lanao del Norte and Sur, Bukidnon, Basilan, and Tawi-Tawi.

Members of a cell do not necessarily belong to the same military unit. The members could come from the army, the constabulary and the navy, as long as they share the same area of responsibility.

Despite the YOU posturings, Maj. Gen. [Major General] Rodolfo G. Biazon, the AFP vice chief of staff, said the military rebels still lack firepower, manpower, and organization to mount another attempt to change the government. "They still don't have the capability to overthrow this government," he said. "Not this week, next month or even until the elections in 1992."

Other senior officials dismissed the YOU as "a paper organization" of a handful of rebel officers who are still at large. "I have been talking to a large group of junior officers and they told me that they were not members nor they were being recruited to join the YOU," said a senior officer from the PMA.

Suspected Military Rebel Arrested in Palawan

HK2806115790 Quezon City DWDD Defense Department Radio in Tagalog 1000 GMT 28 Jun 90

[Text] The military again scored a victory with the arrest of a Philippine Marine corporal suspected of being involved in the aborted December coup. The suspected rebel soldier was identified as Marine Corporal Tito Paraino, formerly based with the 41st Marine Company, 4th Marine Battalion landing team.

According to the military's official report, Paraino was captured in his home in Sitio Nara Nara, Barangay Talusan, Batarasa, Palawan. The group to which Paraino belonged was believed to be responsible for the attack on Villamor Air Base in Pasay City at the height of the aborted coup. Paraino was also among the rebel soldiers who attacked Camp Aguinaldo on 3 December. He was under the group led by Marine Major Cesar de la Pena who is now under detention for his role in the December coup.

NPA Kills Former Civilian Defense Member

HK2806093390 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 28 Jun 90

[By Benjie de Galicia]

[Text] New People's Army [NPA] rebels killed a 45-year-old former Civilian Home Defense Force member. The military discovered that his body was buried in an abandoned rebel camp in sitio Umagon, Barangay Gulang-gulang, Irosin, Sorsogon. According to Brigadier General Federico Ruiz, Jr., Southern Luzon commander, the body was identified as that of Rodrigo Golon, married, a resident of this place.

Thailand

Revival of U.S. Role in Southeast Asia Viewed

BK2706163590 Bangkok SIAM RAT SAPDA WICHAN in Thai 24-30 Jun 90 p 21

[Article by Atthawibun Sisuworanan: "The United States Revives Its Role in Thailand and Asia"]

[Text] The United States announced the adjustment of a major point in its foreign policy toward Southeast Asia during Prime Minister General Chatchai Chunhawan's visit last week. Although the adjustment is a minor change for the United States, it is an important victory for Thailand.

U.S. President George Bush expressed support for Gen. Chatchai's efforts and method in dealing with the Cambodian problem. He also said that the United States agreed with Thailand's flexible policy toward various countries in this region, which could mean China and Burma, against which the United States is using economic sanctions to put pressure on the dictatorial governments of the two countries.

The United States has watched Thai policy with suspicion since Thailand began contacts with the Vietnamese-backed Phnom Penh government two years ago. The United States also objected to Thailand's refusal to apply economic and political pressure against the Burmese military government, which suppressed students and citizens in 1988, and against the Chinese Government, which used violent suppression against students at the Tiananmen Square last year. This stand by the United States has plunged the already-strained Thai-U.S. relations, which stemmed from trade conflicts in the past three years, to their lowest ebb since World War II. As a result, the adjustment means that the United States has opted to accept the Thai policy and has significantly improved the atmosphere of the relations.

The outcome of Thailand's leading role in promoting peace and regional cooperation under the policy of turning the battlefield into a marketplace as well as the success of Thailand's economic development, which has enabled Thailand to spur the economic and trade development of Indochina and Burma, is an important factor in Washington's decision to adjust its policy. However, it would be wrong to think that this is the only major factor. The rapid changes in Asia seem to be having a great impact on the U.S. policy and position in the region and have prompted the United States to readjust its policy and change its way of looking at problems.

After its withdrawal from Indochina in 1973, the United States shifted its influence from Southeast Asia to the Pacific Ocean. The United States depends on its important allies, China and Japan, as intermediaries to pass U.S. economic, trade, and political influences and benefits to this region. The recent change in China has changed the balance in the U.S.-China-Japan alliance.

The economic growth in the Asia Pacific rim has become another major factor in the U.S. adjustment. The prosperous Japanese economy, which replaces the United States as an economic leader in the world, has caused the emergence of Newly Industrialized Countries [NIC] in Asia and is stimulating the economy in Southeast Asia.

In such a situation, the United States realizes that its influences have waned because of its policy of distancing itself and wants to revive its benefits again. However, as China's importance to U.S. security is waning due to improved relations between the United States and the Soviet Union and China's slowness in political reform because of the Tiananmen incident, the United States has begun to pay more attention to Southeast Asia.

The Cambodian problem is the only issue that presents an opportunity for the United States to restore its role in this region (considering that the Korean and Afghan problems are no longer issues). Its cooperation with Thailand is still the most effective "pass" for the wishes of the United States, because Thailand has not only tried its best and played the most important role in dealing with this problem but also has relations with all Khmer factions and with all countries backing different factions.

The adjustment of U.S. foreign policy by giving more importance to Southeast Asia and Thailand also gives "additional benefits" back to the United States. In particular, Thailand's diplomatic relations in the region due to its policy of being associated with all—such as ASEAN, the Far East, South Asia, and the Middle East—will be able to support the restoration of the U.S. role. The United States will also get other benefits from bilateral cooperation with Thailand such as drug suppression and other forms of cooperation on security issues.

However, the most important and fundamental factor of the revival of the U.S. role in this region is to revive the U.S. economic position in the region, which has waned compared to Japan's expanding role. The United States is Thailand's biggest market. Thai exports to the U.S. market are almost equal to the total Thai exports to Japan and other NIC's in Asia. However, U.S. investments in Thailand are still less than in those countries. U.S. investments in other industries could not compete with those by Japan and the NIC's if its investments in oil and natural gas are not counted. The United States should solve this problem so that the revival of its role in Thailand will have a stable basis in the future.

The imbalance of the important market of Thailand and its investment has become a source of trade conflict that has caused problems in the bilateral Thai-U.S. relations in the past four to five years. U.S. trade deficits have resulted in conflicts in U.S. exports to Thailand and the U.S. service industry in Thailand. This situation could worsen, especially when Thailand is considering opening its service market to foreign investment, especially in banking and insurance business.

Therefore, the Bush administration's agreement to set up a joint Thai-U.S. economic and trade committee during Chatchai's visit to help solve trade conflicts and promote the U.S. economic role in Thailand was considered another factor confirming U.S. seriousness in returning to Thailand and this region. As for Thailand, the increasing role of the United States will help balance Japan's growing economic role. The trade and investment competition between these two industrial countries will help push Thailand's economic development to a high rate for at least another five to 10 years.

Position on Aviation Talks With U.S. Noted

BK2706084390 Bangkok Voice of Free Asia in English 1500 GMT 26 Jun 90

[Text] Thai aviation authorities will press for equal numbers of flights under the fifth freedom air traffic arrangement between the United States and Thailand when the bilateral aviation talks between the two countries resume in September. Traffic rights under the fifth freedom were the main points raised by the Thai delegation during the recent round of negotiations in Washington, D.C. The fifth freedom concerns abilities of U.S. and Thai airliners to pick up passengers along the transit points on the way to Thailand or to the United States.

The Thai delegation headed by Deputy Permanent Secretary for Transport and Communications Mahidon Chantharangsu also revealed to the U.S. aviation officials the declined market share of THAI Airways International against the U.S. airliners in recent years, particularly on the Bangkok-Tokyo route. The statistics presented show that THAI's market share on the Bangkok-Tokyo route has declined from 50 percent to 28 percent. Mahidon said at the press conference yesterday that Thailand could not adopt the open sky policy since the country would be at a disadvantage when in direct competition against the U.S. airliners. Over the years, the frequency of U.S. flights has swelled from 24 flights weekly to 37 within a year, nine times more than THAI's flight to the United States. United Airlines, Northwest Airlines, and Delta Air Lines are at present operating flights to Bangkok. Mr. Mahidon said Continental Airlines, American Airlines, and Evergreen Airlines also plan to operate flights to Bangkok. This puts Thailand in an unfair position because the country has only THAI to compete, said Mr. Mahidon.

Meanwhile, the United States agreed that negotiations on its call for unlimited entry into Thailand's computer reservation system, or the CRS, should be conducted separately. The United States agreed to grant landing rights to THAI Airlines in six destinations, namely New York, Honolulu, Los Angeles, Guam, Seattle, Dallas, and might also include either San Francisco or Chicago. THAI will be able to fly to Canada via the United States. The United States agreed in principle according to the previous stand to lift the control of the number of flights to the United States for Thai airliners, but in the next two years the number of flights must not exceed seven per week and nine in the next six years.

Son Sann Asks Chawalit To Sponsor Peace Talks

BK2806052890 Hong Kong AFP in English 0441 GMT 28 Jun 90

[Excerpts] Bangkok, June 28 (AFP)—A Cambodian guerrilla leader asked former Thai Defense Minister Chawalit Yongchaiyut here Thursday [28 June] to arrange peace talks between Cambodia's warring factions in the Thai capital.

Former Prime Minister Son Sann told reporters after a 25 minute meeting with General Chawalit that he had come to ask the general "to sponsor a meeting of the four Cambodian factions here before the meeting of the big five in Paris." He was referring to the five United Nations Security Council permanent members whose representatives are scheduled to meet next month in the French capital to discuss efforts to end the war between forces of Cambodia's Vietnam-installed government and a guerrilla coalition made up of the Chinese-backed Khmer Rouge and two smaller non-communist factions. [passage omitted]

No specific date has been announced yet for the Paris meeting to which the "big five" have said at a gathering in New York earlier this year that the factions would be invited.

But the question of whether the factions would be represented separately in a "five plus four" format which the Khmer Rouge and China have demanded or bilaterally on a government-to-government basis as Phnom Penh wants, in order to prevent the Khmer Rouge from receiving equal treatment, is unresolved. Mr. Son Sann said he favoured the "five plus four" formula, adding that he wanted an inter-Cambodian meeting in the Thai capital "as soon as possible" to arrange the setting up of a supreme national council (SNC) prior to the Paris discussions. [passage omitted]

Gen. Chawalit resigned on June 11 from Prime Minister Chatchai Chunhawan's government following veiled accusations of corruption by Cabinet colleagues, in a move that has sparked fears of a coup in Thailand.

But Mr. Son Sann explained that he had come to meet the general at his residence because of the former minister's long record in dealing with neighbouring Cambodia. "He is a very old friend of all Cambodians. So I think Gen. Chawalit is the right man to help us," Mr. Son Sann added.

Gen. Chawalit, who was still then both defense minister and deputy prime minister, was the chief architect of the Tokyo accord.

Aides to Gen. Chawalit, a man widely believed to be aiming at succeeding Mr. Chatchai as premier, said he was to meet Khmer Rouge nominal leader Khieu Samphan here Monday. The general was also considering discussing Cambodia with a senior Vietnamese official, they said without giving details.

After his meeting with Mr. Son Sann, Gen. Chawalit said he would continue to work toward peace in Cambodia despite the fact that held no official government position. He expressed optimism as to the outcome of efforts to end the war. [passage omitted]

Chatchai Welcomes Move

BK2806133290 Bangkok Domestic Service in Thai 1200 GMT 28 Jun 90

[Text] Prime Minister General Chatchai Chunhawan told a group of reporters at the Parliament House this afternoon that he was still waiting for a report on Khmer Serei Leader Son Sann's meeting with General Chawalit, former deputy prime minister and defense minister, to seek support for holding a meeting of the four Cambodian factions in Thailand before the meeting of the five UN Security Council permanent members in Paris. The prime minister said that he could not answer reporters' questions on this matter as he still had received no report on it. The prime minister said that he will have to talk with Gen. Chawalit and his team of policy advisers first, as they are already in close touch.

The prime minister said the move to use Thailand as a venue for the meeting on Cambodia is good news. Yet, he must wait for details before giving an answer to reporters. This should be known in a day or two, as he is at present busy with the meeting of the House of Representatives on the 1991 draft budget bill. Asked if he anticipated any problem in holding a meeting on Cambodia, the prime minister said that there should be no problem, as everyone wishes to see peace return to Cambodia as soon as possible.

Prospects for Repatriation of Burmese Noted

BK2206064790 Bangkok THE NATION in English 22 Jun 90 p 3

[Excerpts] Thailand will resume the repatriation of illegal Burmese immigrants once that country's authorities are ready to resettle them, a senior Thai Army officer in Mae Sot said yesterday.

Task Force 34 Deputy Commander Col [Colonel] Bunlue Simek told THE NATION in a telephone interview that the operation programme, which started early this month, had been put on hold for the time being at the request of Burmese officers in Myawadi. Bunlue said Myawadi authorities welcomed the repatriation of the Burmese but were currently preparing for their resettlement. "We will continue to do it (the repatriation).... and they (the Burmese officers) are ready to welcome the returnees back but not now, because they have to make arrangements for food, accommodations and sanitary facilities," said the deputy commander.

Rangoon on Sunday announced its 13.5-million-kyat plan to resettle former ethnic insurgents, homeless villagers and destitute people along the embattled border with Thailand.

He said the repatriation of about 1,000 illegal immigrants to Burma on June 7 was carried out with the consent of the Burmese authorities and denied reports that some of the returnees were later imprisoned, forcibly conscripted, or raped by Burmese troops.

The pushback was widely criticized by human rights organizations which feared for the safety of the returnees. [passage omitted]

The repatriation programme, which was approved by the Supreme Command, would restart once Myawadi officers were ready, said Bunlue, adding that about 10,000 more illegal Burmese were believed to be staying in Mae Sot and four other border districts of Mae Ramat, Phop Phra, Tha Song Yang and Umphang. He said the National Security Council (NSC) had been kept abreast of the operation but it had requested a temporary halt of the repatriation during Prime Minister Chatchai Chunhawan's June 11-19 visit to the United States. However, an informed government source told THE NATION yesterday that the NSC agreed to the repatriation but suggested that it be conducted in a discreet and quiet manner which would not backfire on Thailand.

Students Issue Statement

BK2506014190 Bangkok THE NATION in English 25 Jun 90 p 3

[Text] A Burmese student organization fighting the military government in Rangoon called on the Thai government to immediately stop deporting Burmese illegal immigrants to Burma for fear of persecution.

The All Burmese Students' Democratic Front (ABSDF) issued a statement on Saturday [23 June] from its base along the Thai-Burmese border saying that the deportation was tantamount to sending them back into the repressive hands of the military. The ABSDF said a "thousand" Burmese in Mae Sot district of Tak were handed over to Burmese authorities in Myawadi by the Thai military on June 7, several hundreds of them ended up in prison and many were forced to work as porters or "mine-sweepers" for the military at the front.

The Thai military announced early this month its plan to send back Burmese illegal immigrants who had taken refuge along the Thai-Burmese border, citing that the political atmosphere in Burma had improved after the general election. But political asylum seekers who entered Thailand before 1976 and those whom Thai authorities judge would not be safe if they were returned would be exempted.

The ABSDF said about 50,000 ethnic minorities and thousands of students who evaded the persecution of the Rangoon government since the bloody crack down in September 1988 now face deportation under the programme which it said was a violation of their right for political asylum. About 10,000 Burmese and ethnic Burmese taking refuge in 4 border districts of Tak are now facing an immediate forced deportation under the programme which will be launched this week. The statement said those deported would never be safe until the military government handed over power to the elected government.

The ABSDF requested that the Thai government provide the Burmese immigrants a temporary camp inside Thailand at a safe place and called on the International Red Cross, the United Nations High Commission for Refugees and other refugee organizations to put pressure on the Thai government [and] stop it from carrying out its plan.

Further on Chawalit's Future Political Role

BK2806011590 Bangkok BANGKOK POST in English 28 Jun 90 pp 1,3

[Text] Former military chief Gen [General] Chawalit Yongchaiyut has turned down the Prime Minister's invitation to join the Chat Thai Party. Gen Chawalit's decision came one day after Prime Minister Chatchai Chunhawan reportedly announced at his party meeting on Tuesday [26 June] that Gen Chawalit had agreed to join Chat Thai.

"I cannot say anything. I will not try to do anything and I will not get involved with anybody for the time being," said Gen Chawalit when asked by reporters at Nawathani Golf Course yesterday evening.

Gen Chawalit said Prime Minister Chatchai was especially kind to him in offering him the invitation. "But I have mentioned several times that I would like to wait for a while, then we can talk about it," Gen Chawalit said.

The general, who quit as deputy prime minister and defence minister early this month, emphasised yesterday he has not applied to become a member of the Chat Thai Party so far and has not quit as a Senate member. "You can check this at Parliament," said Gen Chawalit, who complained that he has been put in the spotlight too often and said he plans to take some time off from politics to stop people paying attention to him. "I want to escape from it all for a while. But this does not mean that I want to escape from the problems. Since it may not be good for me to be around, then I had better stay away from the circle."

He said he had not made any decision to join a political party or to form one and the Prime Minister understood this well. "I am not playing hard-to-get, but you must understand that I cannot say anything now because I still cannot make a decision. Please do not treat my problem as a big issue," said Gen Chawalit.

A close aide to the general, who preferred to remain anonymous, said Gen Chawalit would stay politically dormant for some time while deciding if he will set up his own party or join an existing one. "Gen Chawalit's heart is still unoccupied," said the aide, who emphasised that the general had not made a decision. He said Gen Chawalit had thanked Prime Minister Chatchai for his support and his invitation to resume a political role, saying he would need some time to decide his political future.

Gen Chawalit's joining either the Government or Opposition could have a positive or negative impact on democratic developments, particularly while the Opposition is seeking to censure the administration.

The general wants all political developments to continue democratically, the source said. "Gen Chawalit's decision on his political future can wait and he need not decide now," said the source, who predicted it is most likely the general will decide next month after the debate on the opposition's no-confidence motion. The general wants to stay neutral and follow established political steps said the source, who added that Gen Chawalit was expected to holiday overseas to allow the controversy around him to subside.

Army Chief Gen Suchinda Khraprayun refused to comment on reports of Gen Chawalit possibly joining Chat Thai. "I know nothing. I am not involved in politics and this is none of my business," said Gen Suchinda, who repeated his remarks when asked again if he still supports Gen Chawalit.

The Prime Minister is still confident Gen Chawalit will join his party. On his arrival at Parliament for a budget bill debate, he said again that Gen Chawalit would join Chat Thai. He said, however, that Gen Chawalit had asked that he be given some time before doing so.

Gen Chawalit yesterday joined military top brass, including Supreme Commander Gen Sunthon Khongsomphong, Gen Suchinda and Air Force Chief ACM [Air Chief Marshal] Kaset Rotchananin, for breakfast with the Prime Minister at Gen Chatchai's residence.

Prime Ministerial secretary Gen Wanchai Chitchamnong said Gen Chawalit was teased during breakfast about his reported plan to join Chat Thai, prompting him to stand up to thank the Premier in a playful manner, which drew a burst of laughter from others at the table.

Meanwhile, Chat Thai secretary-general Banhan Silapa-acha said that Gen Chawalit would be sent a Chat Thai membership application form. Mr Banhan, who said he had lunch with Gen Chawalit yesterday said there would be no problem in the general becoming a deputy party leader. He also claimed Gen Chawalit had agreed to join Chat Thai.

A Government political co-ordinator said that as of 9 a.m. yesterday, Gen Chawalit had accepted in principle joining Chat Thai Party, but precisely when was a matter of timing. He said Gen Chawalit would have to resign as a senator if he decided to join the party.

The source insisted that Gen Chatchai and Gen Chawalit would not become enemies and dismissed reports Gen Chawalit would form his own party. He said Gen Chawalit's military classmates did not want him to join Chat Thai, but form his own party.

Social Action secretary-general Montri Phongphanit said he was not upset, but he would not believe the report until Gen Chawalit resigned from the Senate and actually joined Chat Thai.

Chat Thai party advisory chairman Praman Adireksan said he was not told of Gen Chawalit's decision to join the party because he was not at the party meeting yesterday. However, if Gen Chawalit joined the party, the general would have to comply with party regulations. "Party members will not oppose Gen Chawalit. I personally think Gen Chawalit is a capable person who will benefit the party," Gen Praman said.

Chatchai's 'Tactic' Viewed

BK2806015190 Bangkok BANGKOK POST in English 28 Jun 90 p 3

[Text] Prime Minister Chatchai Chunhawan's reported announcement that former military chief Gen [General] Chawalit Yongchaiyut has agreed to join his Chat Thai Party is just a political tactic for his own political benefit, Opposition members claimed yesterday. "Thai is just Gen Chatchai's usual tactic for his own benefit, which usually ends up being denied (by Gen Chawalit). I don't know about this one, but I think that within the next few hours Gen Chawalit could come out to deny it," said Solidarity Party Deputy Leader Piyanat Watchaphan.

Mr Piyanat described news reports about Gen Chawalit's political activities as most boring because they were prompted by competition among political parties to recruit the general as a member. He said Gen Chawalit should be given the freedom to make his own decision in joining a political party he thinks best suited his ideology.

Nakhon Si Thammarat MP [member of parliament] Chamni Sakset said he shared Mr Piyanat's view and said Gen Chawalit should clear up once and for all which political party he will join and where he will stand in an election. "He (Gen Chawalit) could lose his political opportunity if he makes a decision too slowly, because political parties will not be able to wait for him forever," said the Solidarity Party MP. He said that with or without Gen Chawalit, Solidarity would continue performing its duty because it has been established for more than 10 years.

Mr Chamni said he would disagree with any move by Gen Chawalit to set up his own party because the general would end up with members and supporters from the military. Under such circumstances, Gen Chawalit might not be able to perform his political role as effectively as intended, Mr Chamni said.

Meanwhile, Solidarity leader Narong Wongwan and a group of his MPs yesterday called on Gen Chawalit at his Suan Phuttan residence early yesterday and left about 8 a.m. Details of the discussion were not made public.

Press Criticized

BK2806013790 Bangkok BANGKOK POST in English 28 Jun 90 p 3

[Text] Prachakon Thai Party leader Samak Suntharawet yesterday asked reporters to downplay news on former Army commander-in-chief and ex-deputy premier Chawalit Yongchaiyut because he has nothing to do with the armed forces anymore.

"(Gen [General] Chawalit) should be treated as a normal politician. (Whatever he may do or say) should not be so important that it affects stock prices," he said. It is not fair for the Press to only cover Gen Chawalit and to forget about other politicians, Mr Samak said. "If Gen Chavalit should die tomorrow, will the stock market close?" the veteran politician asked. Investors should try to understand the political situation correctly and not panic so much that the stock market becomes vulnerable to news about Chawalit, he said.

Mr Samak said he wondered why the Press continued to focus on Gen Chawalit despite the fact that he left the Army months ago and that Prime Minister Chatchai Chunhawan has called for the separation of politics and military affairs. Army chief Suchinda Khraprayun has confirmed Gen Chawalit has quit the Army, he said. He said Gen Chawalit himself would prefer to be treated like an ordinary man and not to have military officers show support for him if he ran for election as an MP.

"Why don't you put him to rest. I even told him to go into the monkhood so that we could see if a monk could bring down stock prices," he said.

The Press obviously thinks Gen Chawalit is Kong Beng (a hero in the Chinese saga "Sam Kok") but sometimes even Kong Beng is helpless, he said, adding, "If Gen Chawalit made some big mistakes, wouldn't he become Chiu Yi?" referring to another character in the Chinese saga who dies after his defeat in battle.

Party Leaders Reproved

BK2606043990 Bangkok THE NATION in English 26 Jun 90 p 8

[Editorial: "Parties Without Leaders"]

[Text] The casual way with which the prime minister named Gen [General] Chawalit Yongchaiyut his "political successor" and offered him the Chat Thai Party—the core of the government coalition—augurs badly for Thailand's political development. While it is still debatable whether the prime minister is—or was ever—serious about grooming the ex-army chief as a successor, many people, including perhaps Chawalit himself, seem to take him seriously. But problems are bound to arise when the prime minister cannot deliver the goods.

Interior Minister Banhan Sinlapa-acha, secretary-general of Chat Thai, was apparently angered by the prime minister's renewed offer to Chawalit over the weekend. He refused to comment, saying he needed to check with the premier to see what the offer was all about. Industry Minister Praman Adireksan, one of the three cofounders of the party and now its chief adviser, was more direct. He noted that inviting an outsider to lead the party was a serious decision that should involve the entire party leadership. In other words, both Banhan and Praman were reminding the premier that the succession to the party leadership was not entirely his choice. The two ministers are obviously not ready to let Chawalit take over a venture in which they have invested so much time and money. Both are also known to consider themselves strong possible contenders for the premiership.

These sort of confident and ambitious politicians cannot be found in the Social Action Party, whose leader, Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila, has invited Chawalit to take over the second largest government party. Nor do they exist in the Solidarity, the largest party in the opposition, whose entire leadership has been kowtowing to Chawalit and offering him the party. This party may actually fall apart if Chawalit openly turns down the offer.

This is all a big disappointment. After so many years, this country's major political parties still cannot produce politicians capable of leading their own people. By begging for Chawalit to lead them, the parties are admitting their incompetence. So what are their goals in staying in politics—just the chance to be in a government and stay in power? If a party cannot produce leaders, it has no future; it cannot hope to maintain the loyalty and discipline of its members. If major parties count on reaching power by riding on the coat-tails of former military leaders, as is true in Chawalit's case now, they render their existence meaningless. And without a viable political party system, multi-party parliamentary democracy is impossible.

Banhan and Praman were protecting their political ambitions when they indirectly reminded the prime minister that he did not own the Chat Thai Party. In fact, it is their party's internal business who will hold what post and when.

However, the prime minister must realize that he does not own this government or this country either. He cannot hand over the premiership to anyone at will, least of all an outsider like Chawalit who has never stood in a general election. By choosing Chawalit—assuming that the premier is really serious about it—he reveals that he has little confidence in his Chat Thai colleagues. Worse, it also shows how little he understands or cares about the importance of developing a viable political party system. On the other hand, should it turn out that he really never meant to let Chawalit succeed him, the prime minister is digging himself into a big hole with his offers. If he is not careful, he may find himself thrown in and buried politically.

Chatchai Warns Cabinet of 'Crucial' Battles

BK2706041390 Bangkok THE NATION in English 27 Jun 90 pp 1,2

[Text] Prime Minister Chatchai Chunhawan yesterday urged his coalition partners to join forces and win the crucial debate on the 1991 Budget Bill and counter the looming no-confidence attack, vowing that the government will fight to the bitter end to preserve democracy.

Speaking to his coalition Cabinet, Chatchai warned that the government had yet to see out the two issues before the three-month Parliament session comes to its close at the end of next month. He told the Cabinet members to brace themselves for the two crucial political battles.

"The government is confident that it will eventually brave through the political challenges over the two motions because all coalition partners have worked together closely in the past years," Chatchai was quoted in a government release as saying. He added: "This government attaches priority to democratic development and everybody (in the ruling coalition) shall walk forward together without retreating. With close cooperation by all concerned, there are no challenges that the government cannot overcome."

Chatchai made the statement of intent amidst signs of sagging military support for his leadership following the resignation of former army chief Gen [General] Chawalit Yongchaiyut as deputy premier and defence minister earlier this month. The premier had tried unsuccessfully to woo Chawalit back and show the people that his government and the present military leadership were still on friendly terms. The military reactions were at best lukewarm.

The House is set to debate the government-sponsored Budget Bill for the 1991 fiscal year today and tomorrow and is expected to deliberate on the no-confidence motion submitted by the Opposition against the entire Cabinet in the first half of next month. Passage of the Budget Bill and the government's impressive victory over the no-confidence debate are vital to the political survival of the administration.

Given a shot in the arm by Chawalit's departure from the Cabinet, the Opposition appears enthusiastic with its anticipated political barrage against the government in the weeks ahead but some observers doubted it would be able to garner enough support to oust the government through parliamentary means. The major test will be the no confidence offensive which opposition sources said they would concentrate their attacks on the premier and his Chat Thai Party, which is the core of the ruling coalition.

For the first round of the battle, opposition Solidarity spokesman Athit Urairat told reporters that about 60 opposition MPs [members of parliament] would debate against the bill by concentrating against the budgetary allocations to ministries responsible for the well being of the general public. He accused the government of failing to set aside sufficient funds to promote fair distribution of incomes, quality of life and agricultural development. "The focus of our debate is the government's failure to reduce the number of landless farmers and improve the agricultural productivity. In this light, the budgets for the Agriculture Ministry, the Communications Ministry, the Interior Ministry, the Public Health Ministry and the Foreign Ministry, would come under fire for failing to put enough effort and funds to solve the problems," he said.

Dusit Sophitcha, also Solidarity MP, said he would criticize the government for increasing the defence and secret budgets by up to about Bt [Baht] 10 billion whereas the insurgency problems along the border had been reduced. Chatchai must also clarify on the change in the plan to procure a Bt600 million airplane for use by the royal family because the matter concerns the security of the royal family, Dusit said. He said the PM's Office changed the model of the airplane which was first determined by former air force chief ACM [Air Chief Marshal] Woranat Aphichari without any explanation.

In general, Dusit said that the Opposition will question the priority that the government placed on the industrial sector as against the agricultural side in its budget plans this year.

Prachakon Thai leader Samak Suntharawet said the Opposition will debate on issues which would not be taken up in the no-confidence debate to avoid repetition.

Finance Minister Pramuan Saphawasu, meanwhile, told reporters he was confident that he could answer all questions from opposition MPs on the Budget Bill which he described as the first ever to be a balanced budget. The Bt387.5 billion budget represents a 15.7 per cent increase from the 1990 expenditure budget—a margin which Pramuan described as sizeable.

Chatchai Presents Details of Balanced Budget

BK2806021190 Bangkok BANGKOK POST in English 28 Jun 90 p 6

[Text] Prime Minister Chatchai Chunhawan yesterday presented the country's first balanced budget in decades to Parliament, hailing it as a good sign of the country's economic and financial stability.

The 387,500 million baht budget aims to:

Sustain continued high economic growth;
Distribute development equitably and develop human resources in quantity and quality;
Upgrade the quality of life and environment; and
Increase the nation's scientific and technological capability.

In his speech during the budget presentation yesterday morning, the Prime Minister gave an overview of the economic situation from 1989 to 1991.

Thailand's per capita income had increased 34.6 per cent from 22,599 baht in 1987 to 30,415 baht last year, he said.

On trade, he said that although Thailand still faces trade protectionism abroad this year and next, exports of Thai products are still bright with the volume expected to increase 20 per cent annually. Growth in imports, on the other hand, is decreasing by 22 per cent and 17.8 per cent this year and next year respectively. Trade imbalances are estimated at 168 billion baht and 184 billion baht this year and in 1991 respectively.

Overall economic growth this year is expected to be 9.1 per cent and 8.4 per cent next year, while growth in agricultural and non-agricultural sectors is expected to rise by two or three per cent and 10 per cent respectively. Inflation would be kept at a modest five to six per cent.

The Prime Minister said the continuous high economic growth rate coupled with the implementation of an appropriate financial policy had contributed to the strengthening of the country's reserves status. By the end of May, Thailand's reserves fund was registered at 90,233 million baht, he said. He added that the country's foreign reserves by April 30 amounted to US$12,029.7 million, representing an increase of 41.5 per cent over the preceding year's reserves.

Foreign loans in the Government sector amounted to US$11,386.8 million on February 28, representing a decrease of 5.7 per cent over the previous year.

The Prime Minister said the liquidity situation domestically remains favourable with credits and deposits continuing to expand at high rates with an increased inflow of foreign funds.

He assured Parliament the Government would continue to adopt a cautious monetary policy to try to contain inflation while, at the same time, developing and improving the country's monetary system. On expenditure, Gen Chatchai said the Government had set aside a 104,823 million baht investment budget next fiscal year, which represents an increase of 27.8 per cent over this year's figure.

Regarding the Government's objective to sustain high economic growth, the Prime Minister said 14,449 million baht had been set aside for the procurement and maintenance of infrastructure and basic services which are still lacking in the central and provincial regions. These include construction and expansion of vital economic routes covering a distance of 1,347 kilometres; maintenance of 47,686 kilometres of roads throughout the country; construction and expansion of six commercial airports; renovating 19 commercial airports; building reservoirs for five water-works and the laying of water pipelines for the Eastern Seaboard.

The Prime Minister said the Government continued to emphasise equitable distribution of income and employment creation.

A total of 35,864 million baht had been allocated for rural development to increase agricultural productivity, to promote occupations and integrate agro-industry among others.

Budgetary allocation for formal and non-formal education and training to produce personnel in petrochemical, pharmaceutical, dentistry and mechanical fields where there is a shortage had increased sizeably by 55 percent from 26,355 to 33,896 million baht, said the Prime Minister, adding that three additional skilled labour development centres will be established.

He said the Government had earmarked 15,999 million baht for expansion and improvement of health care at district and tambon levels. A total of 1,642 million baht was also set aside to find sources of water for consumption and 2,833 million baht for traffic and transport improvement and flood prevention in the cities.

Environmental conservation has received a sizeable budget amounting to 1,911 million baht. This includes construction of seven water treatment plants, undertaking of a feasibility survey for 10 more treatment plants and garbage disposal.

Scientific and technological research has received 1,278 million baht, which represents a big jump of 133 per cent over this year's 731 million baht.

In conclusion, the Prime Minister said that to attain the five objectives, the Government had allocated a total of 158,825 million baht budget—an increase of 43 percent over the preceding budget's 47,463 million baht.

Confiscated Narcotics Destroyed in Bonfire

BK2606072690 Bangkok Domestic Service in Thai 0530 GMT 26 Jun 90

[Excerpt] To mark the World Anti-narcotics Day today [26 June] and to demonstrate the Thai Government's firm policy on narcotics suppression, Thailand has destroyed a number of confiscated narcotics.

The 12th annual bonfire took place today in the compound of the Metropolitan Police Academy in Bangkhen District, Bangkok. A number of honorable guests including local and foreign mass media representatives witnessed the event. Deputy Prime Minister Phong Sarasin presided over the ceremony.

Confiscated marijuana, opium, heroin, and other kinds of narcotics were destroyed. Legal procedures had already been completed on all of these drugs. The narcotics were in a total of 8,375 cases weighing a total of 4,423 kg. [passage omitted]

Vietnam

National Assembly Issues Communique No. 6

BK2706154190 Hanoi Domestic Service in Vietnamese 1430 GMT 27 Jun 90

["Eighth National Assembly's Seventh Session Communique No. 6"]

[Text] On 27 June 1990, the National Assembly held a plenary meeting in the conference hall under the direction of its chairman Le Quang Dao. In the morning meeting, the deputies heard:

1. Comrade Nguyen Cong Tan, minister of agriculture and food industry, representing the Council of Ministers, answered deputies' questions and presented measures to develop agricultural production such as the procurement of fertilizer, insecticide, electric energy, water conservancy, and the consumption of agricultural products and goods. He presented measures to stabilize prices and grain supply to meet the demands of society. Comrade Nguyen Cong Tan also presented recent shortcomings along with remedial measures to scrupulously accomplish the state reserve of grain.

2. Comrade Hoang Minh Thang, minister of trade, representing the Council of Ministers, answered deputies' questions and presented measures to consolidate the operations of state-run trade and marketing cooperatives; to managerially control export, import, and market; to oppose smuggling of foreign goods; and to implement the trade policy toward mountainous regions.

3. Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare, representing the Council of Ministers, answered deputies' questions on the implementation of labor cooperation between our country and other countries.

4. Comrade Hoang Quy, minister of finance, representing the Council of Ministers, answered deputies' questions on the situation of revenues and expenses of the state budget in the first half of the year. He also answered questions on the measures to compile 1990 state budget estimates.

5. As suggested by the National Assembly deputies, the National Assembly decided that Comrade Nguyen Hoa should continue to be acting head of the National Assembly economic, planning, and budget committee until the end of the eighth legislature of the National Assembly.

In the afternoon, the National Assembly deputies discussed and assessed the socioeconomic situation of the first half of the year and measures to implement the socioeconomic tasks and the state budget of the second half of the year.

The National Assembly will continue its work at the conference hall on the morning of 28 June 1990.

More on 27 Jun National Assembly Proceedings

BK2806123890 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Jun 90

[Station correspondent's report with portions recorded on 27 June National Assembly proceedings]

[Summary] "Today, the National Assembly continued its work at the conference hall. Comrade Nguyen Cong Tan, minister of agriculture and food industry; Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare; Comrade Hoang Minh Thang, minister of commerce; Comrade Hoang Quy, minister of finance; and Comrade Doan Duy Thanh answered questions raised by National Assembly deputies.

According to the minister of agriculture and food industry, thanks to a substantial increase in this year's national grain reserves, the state has effectively solved the problem of food shortages facing Nghe Tinh and a number of other localities. Dealing with grain losses due to lax management and poor storage facilities, he disclosed that "the results of inspections conducted in April and May 1990 indicated that the volume of grain losses accounted for 2.7 percent of the total grain reserves," and that "the Council of Ministers has taken many measures aimed at ensuring adequate storage of national grain reserves."

Regarding the shortage of chemical fertilizer, which is "the most serious problem facing agricultural production in 1990," he disclosed that in view of the slow supply of fertilizer by foreign countries, in February 1990, the standing body of the Council of Ministers instructed the departments and committees concerned to work out concrete measures for coping with this situation.

Next, Tran Dinh Hoan, minister of labor, war invalids, and social welfare, briefed the National Assembly on the situation of Vietnamese workers in foreign countries.

According to the minister, "since the number of Vietnamese guest workers in the Soviet Union and East European countries will be reduced by half, or 80,000-100,000 workers, in the next five years, the Ministry of Labor, War Invalids, and Social Welfare has, in conjunction with other ministries and localities concerned, reviewed the implementation of the overseas labor cooperation program of the past 10 years." Plans have also been worked out to send Vietnamese workers to Northern, Central, and East Europe, and in particular, to Iraq and Libya.

"At this morning's sitting, the National Assembly unanimously elected Comrade Nguyen Hoa as acting head of the National Assembly Economic, Planning, and Budget Committee. He will be acting head until the end of the eighth legislature of the National Assembly."

The National Assembly devoted both the morning and afternoon sittings to discussing and contributing opinions to the Council of Ministers' report on the implementation of the socioeconomic plan for the first half of the year and on measures for stepping up the implementation of the plan for the latter half.

"Tomorrow, the National Assembly will continue its work at the conference hall."

H'mong Radio Program Reaches Tribal People

BK2506131690 Hanoi Domestic Service in Vietnamese 0500 GMT 25 Jun 90

[Article by radio correspondent Hong Van: "H'mong Language Program Reaches Listeners of the Voice of Vietnam in High Mountain Villages"]

[Summary] "With the first broadcast aired on 1 April 1990, the Voice of Vietnam has broadcast its H'mong language program on a trial basis for more than three months now. The close guidance of the editorial staffs of the Voice of Vietnam and the Hoang Lien Son Province Radio Station has helped the personnel in charge of the H'mong language program quickly overcome many difficulties and perform their task on a routine basis."

The daily broadcasts, which contain news, articles, and music, have kept H'mong ethnic minority compatriots abreast of current developments as well as of the latest party and state policies and lines.

"Ever since its inception, the program has been enthusiastically supported by numerous radio listeners and contributors from Quang Ninh, Lang Son, Cao Bang, Bac Thai, Ha Tuyen, Hoang Lien Son, Son La, and Lai Chau Provinces."

"Most of the H'mong ethnic minority cadres and people interviewed praised our party and state's decision to introduce the H'mong language program," saying that this is proof of the party and state's concern for ethnic compatriots' spiritual needs. Asked if they had any suggestions to make, some of them said that "a simple and clear language should be used" to make everyone, especially women and children, better understand the programs, and that "songs should be presented in different dialects" to make them more appealing to ethnic radio listeners.

Dong Sy Nguyen Chairs Ship Chandling Meeting

BK2506155190 Hanoi VNA in English 1512 GMT 25 Jun 90

[Text] Hanoi VNA June 25—Vietnam's sea harbours have been annually called [on] by some 2,000 Vietnamese and foreign ships and freighters, hence the country's ship chandling keeps expanding over the past years.

This was made public at a conference on Vietnam's ship chandling held here on June 24 with Vice Chairman of the Council of Ministers Dong Si Nguyen in the chair.

The conference discussed measures to further improve the shipping services in the supply of foods, fresh water and fuel, and ship repair. Last year, the three major harbours of Haiphong, Danang and Saigon alone earned from the ship chandling a total revenue of 25 billion V.N. [Vietnamese] dong. Ship repair and chandling undertaken by the navigation union (?earned) a turnover of 9.3 billion dong including 2.1 million rubles and 89,000 U.S. dollars.

'Imperialist' Antisocialist 'Schemes' Analyzed

BK2806013690 Hanoi Domestic Service in Vietnamese 1400 GMT 25 Jun 90

[Article by Xuan Ngan]

[Text] Developments throughout the world and in our country during the first six months of 1990 have further indicated that the imperialist and counterrevolutionary forces have never changed their true nature. Outwardly, they have called for peace, friendship, disarmament, and a shift from confrontation to dialogue. However, they have continued to consolidate their military strength and to supply counterrevolutionary movements worldwide with more funding. It is their first priority to eliminate socialism and deprive the communist parties of their leading role in the management of national affairs, thus forcing the socialist camp to shift to capitalism.

The real situation in a number of socialist countries in East Europe have testified to the accuracy of this fact. The communist parties have been deprived of their leading roles. Antisocialist forces have assumed power. The people's living conditions have further deteriorated.

As far as our country is concerned, the enemies have devoted efforts to materializing this goal through many pernicious economic, political, cultural, and ideological maneuvers. Guided and funded by the imperialist forces, reactionary exiled Vietnamese have colluded with reactionaries, opportunistic politicians, malcontents, and degenerate and deviant elements inside the country in a bid to brazenly oppose our regime. They have clamored for political pluralism, recognition of opposition parties, and unrestrained democracy, and they have denied the revolutionary fruit that our people have gained after nearly half a century of struggle at the cost of millions of lives. Their actual goal is to abolish the socialist regime in our country and eliminate the leading role of the communist party founded and trained by Uncle Ho.

It is edifying to note that our party Central Committee seventh and eighth plenum resolutions have promptly unveiled the enemies' pernicious schemes and maneuvers and have clearly defined our nation's development strategies aimed at further accelerating renovation in order to guarantee success for socialist construction. We do not accept political pluralism and opposition parties. This does not mean that our party is subjective and conservative. The history and realities of the Vietnamese revolution—which has been going on for nearly half a century now—have testified to the fact that only the communist party founded and trained by Uncle Ho can assume a leading role in the national revolution. Of course, while fulfilling its leading role, the party could in no way avoid committing errors and mistakes. Furthermore, a number of cadres and party members have become degenerate and deviant and have completely destroyed the people's trust in them. This is unavoidable.

At present, as far as ideological work is concerned, urgent efforts are needed to make everyone correctly understand the international and national situations and see the true nature and dark schemes of the enemies of socialism and our country's revolution. In this way, people will clearly realize their duties, take the right course of action, join hands with the party and the state in effectively overcoming shortcomings and weaknesses and in resolutely coping with all counterrevolutionary activities and social negativism, persist in the revolutionary path chosen by Uncle Ho and the party, and continue to firmly lead the renovation undertaking forward.

With this in mind, during the first half of this year, especially since the promulgation of the party Central Committee eighth plenum resolution, all military party organizations have provided close guidance over the implementation of ideological work. Arrangements have been made for cadres, soldiers, and national defense workers to fully understand the resolution. Almost all party organizations have closely linked projects to help everyone fully understand the party Central Committee eighth plenum resolution with efforts to review and evaluate party organizations' performance during the first six months of the year, pointing out strong points and shortcomings and devising common programs of action aimed at effecting changes for the better among all individuals—cadres, party members, and soldiers—and in all units.

According to reports from military regions, Army corps, armed branches and armed services, institutes, schools and agencies of the National Defense Ministry, after thoroughly understanding the eighth resolution, cadres and combatants have all expressed a high degree of agreement with the party Central Committee on the entire contents of the resolution. They all asserted that the party has advocated the policy of building our country along the socialist line, rejected political pluralism, refused to accept opposition parties, implemented well-led democracy, and opposed all manifestations of cashing in on democracy to help the enemies oppose and attack the revolution, speak ill of the regime, distort truth, sow division and factionalism causing disunity, confuse the people, and make the people suspect the regime and reject the party's leading role that is a correct and scientific orientation.

The people throughout our country who have endured untold sacrifice, danger, and hardship for half a century or so of war now aspire to nothing other than national stability to build the economy and step by step improve the life of the entire society and each family. Those who, out of their ambitions for political and social positions, have taken advantage of the mistakes and shortcomings of the party and state, and of deviant and degenerate cadres and party members as a pretext to deny the merits and leading role of the party and all the revolutionary gains, and who have driven the country into a politically unstable situation are guilty to the nation and to millions of people who have sacrificed themselves for national independence and freedom. It is the responsibility of all society members to identify these figures in the resolute struggle to clarify what is right and wrong to protect the purity of Marxism-Leninism; the socialist regime; the party; the administration; and the people's life, property, and happiness.

Cadres and combatants in the Army should clearly realize that at present all Armed Forces are required to maintain combat readiness, to remain vigilant to promptly detect enemy schemes, and to actively coordinate with other forces to resolutely struggle against all counterrevolutionary organizations, political opportunists and negative objectives in society. Recent events in many areas throughout the country have indicated that Army units have cooperated positively with the local police and people to effectively pursue and mop up criminals, firmly maintain security and order, consolidate the people's confidence, and create more conditions for the development of production. As party committee echelons and commanders in various Army units have actually emphasized the ideological tasks, closely controlled cadres, attentively cared for the livelihood of cadres and combatants, and implemented democracy and openess, many previous weaknesess have been controlled. Many units have succeeded in checking serious violations of discipline.

In the Vinh Quang regimental group, more than 70 percent of the party chapters have been noted as having no infractions of discipline by cadres and party members. All cadres and party members in H-04 artillery group, the Hai Van engineer group of the 4th military region, and the 190th general depot of the Oil and

Gasoline Department have satisfactorily brought into play their role and responsibility, thus definitely reducing the number of cases of violation of discipline. Cadres and combatants of the 9th Regiment, Cuu Long divisional group—the unit that fulfilled its international duty of helping friends for 10 or more years—who have returned home, are now facing hardship and difficulty in their everyday life. However, whenever ordered to operate in another area with even more hardship and danger, they would never hesitate to set out immediately.

Many cadres and combatants in various military regions, armed branches and services, and institutes and schools are always ready to accept assignments to remote islands and hardship border areas. This is due mainly to the people's Armed Forces' fine tradition and character that have been forged throughout the 46-year process of construction and combat.

In the past 46 years, the people's troops have been absolutely loyal to the party and the people and are ready to sacrifice blood and bones to outstandingly fulfill all tasks assigned them by the country. Nowadays, although soldiers still face many privations in their everyday lives and their dependents in the rear area still encounter many difficulties and suffer losses in many respects and much injustice still prevails in society, the soldiers still consider their fatherland their most sacred thing. They are ready to depart for the most dangerous and difficult areas to protect the socialist regime, the party, the administration, and the revolutionary gains they created together with the people throughout the country. This is the main cause for our people's pride and confidence in their Armed Forces.

Sihanouk, Son Sann Urged To Be 'Firm'

BK2606141190 Hanoi International Service in English 1000 GMT 26 Jun 90

[Station "Commentary on the Situation in Cambodia"]

[Text] The situation in Cambodia remains tense, while the agreement reached between Chairman Hun Sen and Prince Norodom Sihanouk in Tokyo has not yet been implemented. Here is our comment on this situation:

The cease-fire and the establishment of the Cambodian supreme national council in accordance with the Tokyo agreement until now has not gone into effect. This responsibility does not rest on the Phnom Penh government because immediately after signing the agreement, Chairman Hun Sen sent Prince Norodom Sihanouk a list of six members of the Phnom Penh government to participate in the council and asked the prince to do likewise. Until now, Sihanouk and Son Sann have not yet sent the list of their six members on the pretext that two seats would be reserved for the Khmer Rouge. This proved Sihanouk's inconsistent attitude toward the Tokyo joint statement, which prevented its implementation.

Meanwhile, in recent days, conflict has been spreading in Cambodia. Pol Pot troops have repeatedly launched attacks on Kompong Thom and Battambang provincial capital, the second biggest city in western Cambodia, in an attempt to gain control over important parts of Cambodia before the cease-fire goes into effect. This is not a new move of the Khmer Rouge to use military acts to gain more control. In fact, it could not achieve this target; the Phnom Penh government has been effectively controlling almost all of Cambodian territory. It is a pity that the Khmer Rouge has turned a blind eye to this fact, trying to drag on the civil war in the country and prolonging the Cambodian people's suffering.

Worse still, the Khmer Rouge's acts have prevented a peaceful solution to the Cambodian issue and first of all, the implementation of the Tokyo joint statement. The Thai prime minister was quite right to remark during his trip to the United States that Khmer Rouge is the main obstacle to an end to the civil war in Cambodia. The remark of the Thai Government's top leader shows that to solve the Cambodian issue and to implement the Tokyo agreement, the Khmer Rouge should stop all its war provocative [as heard] acts. China should stop sending military aid to the Khmer Rouge, and Prince Sihanouk and Mr. Son Sann should adopt a firm attitude toward the Khmer Rouge.

Now is the time for them to courageously oppose war acts of the Khmer Rouge. If it is so, the Tokyo agreement will certainly be implemented. The world is waiting for positive acts of Prince Norodom Sihanouk in solving the Cambodian issue.

Australian Delegation Presents Medical Aid

BK2606151590 Hanoi VNA in English 1451 GMT 26 Jun 90

[Text] Hanoi VNA June 26—An Australian delegation of the Newcastle Overseas Aid Ltd led by Terry Mawdsley, chairman of the company and secretary of the Newcastle Building Workers-Industrial Union arrived here recently for an official visit and presenting a number of medical equipment and other goods worth two million Australian dollars as aid to the Vietnamese people.

The Australian guests have had working sessions with the Confederation of Vietnamese Workers, the Vietnamese Women's Union, the Ministry of Public Health, the Vietnam Union of Peace, Solidarity and Friendship Organizations and other offices. They will visit the port city of Haiphong and Ho Chi Minh City.